

SOUTH CAROLINA DEPARTMENT OF EDUCATION SINGLE AUDIT GUIDE



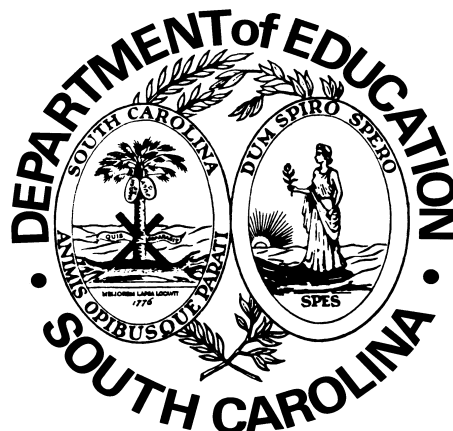
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State Superintendent of Education

Columbia, South Carolina

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2005–06

Single Audit Guide



South Carolina
Department of Education

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FOREWORD

The federal Single Audit Act of 1984 and the Amendments of 1996 significantly affected the audit process for federal programs. The Single Audit Act is designed to create a true audit partnership among federal, state, and local governments. It provides for consolidated audits that avoid the duplication of effort and the waste of resources.

The South Carolina Department of Education publishes annual audit guidelines to provide school districts and their independent auditors with the latest available information to meet state and federal auditing and reporting requirements. The *Single Audit Guide* was developed by the Office of District Auditing and Field Services, with the assistance of an audit committee comprised of independent certified public accountants. We invite and encourage any comments or suggestions for improvement of this audit guide.

Inez M. Tenenbaum
State Superintendent of Education

ACKNOWLEDGEMENTS

An expression of deep appreciation and sincere gratitude is extended to the members of the Single Audit Committee whose contributions have assisted greatly in the preparation of this audit guide. Special acknowledgement is extended to Felicshea Outen for assistance with the formatting and typing of this publication. Thanks is extended also to Susan Flanagan and Mellanie Jinnette, Office of Finance; Marcella Clark and Craig Brooks, Office of School Food Services and Nutrition; Joe Williams, Office of Career and Technology Education; Tammy Mainwaring, Office of Technology; John Dozier, Office of Transportation; David Stout, Office of Adult and Community Education; Vanessa Nelson-Reed, Office of Exceptional Children; Pam Wills, Office of Curriculum and Standards; Betty Black, Woody Lucas, and Nancy Busbee, Office of Federal Programs; Kimberly Smith, J.C. Ballew, and Sabrina Moore, Office of Safe Schools and Youth Services; Alex James, Office of School Facilities; Jan Thomas, S.C. Emergency Preparedness Division; Sandy Houck, S.C. Department of Revenue; and Catherine Samulski and Deborah Larkin, Office of Educator, Support, and Assessment.

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2005–06 HIGHLIGHTS

Audit Guide page references are given in parentheses.

- Audit submission date (xii)
- Revised/New audit standards (xiii)
- SDE Revenue Confirmation Request (xiv)
- Electronic copies of SDE required supplemental schedules (1)
- EIA carryover funds (2) and new funding flexibility legislation (1)
- Charter school and other component unit reporting and SDE required supplemental schedules (6)
- Special Revenue Fund, EAA Accountability (16)
- Changes in SDE account code numbers (18)
- Required audit reports (25)
- Federal Audit Clearinghouse (27)
- Authoritative References, and new additions (28)
- Appropriate format and correct account codes required by SDE for supplemental schedules. Please note the different object-level expenditures required in each schedule. (6, 49–113)
- Audit fees (Expenditure Code 231318) are required to be reported separately in the General Fund supplemental schedule (59)
- Required object-level detail reporting for capital outlay expenditures (Objects 510–90) in SDE supplemental schedules (60, 84, 100, 108)
- Additional information required in Supplemental Special Revenue Schedule (92)
- Additional information required in Supplemental EIA Summary Schedule (104)
- Additional information required in “Due To” Supplemental Schedule (114)
- Revisions to requirements for IN\$ITE Location Reconciliation Schedules (116)
- Revisions to CFDA Cross-Reference (134)
- Compliance requirements for commercial driver’s license (CDL) drug and alcohol testing program (**to be tested for all districts**) (142)
- Addition of compliance requirements for Language Instruction for Limited English Proficient and Immigrant Students, Title III (186)
- Revisions to compliance requirements for the Title I, Part A, Grants to Local Education Agencies Program (205)

TECHNICAL NOTES

Audit Submission Date

House Bill 3594, which was passed during the 1997 legislative session, retains the audit submission due date of **December 1**. The bill states that Section 59-17-100 of the 1976 Code of Laws of South Carolina is amended to read: “Notwithstanding any other provision of law, each school district of the State shall provide the State Department of Education each year with two copies of its audit report by December first following the close of the fiscal year.”

Since this law is mandated by the General Assembly, the State Department of Education (SDE) has no authority to grant an extension of the audit submission date for any circumstances. If the audit is not received by December 1, the audit is considered to be in noncompliance.

Three copies of the audit reports are needed for SDE data users. Please note in the “Audit Requirements” section of this guide that three copies of the audit reports are to be submitted.

Property Tax Relief

The Property Tax Relief Sales Tax Act, which became effective on June 29, 1995, provided state reimbursement for school operating millage exempted from residential property tax. You should be aware of the law (S.C. Code Ann. § 12-37-251) and review the compliance of your local education agency (LEA). **Schools cannot be reimbursed for bonded indebtedness and payments pursuant to lease-purchase agreements for capital construction** under this legislation. Guidance for this legislation is included in appendix A.

Ad Valorem Taxes

Please note that in compliance with federal accounting and reporting standards, all ad valorem taxes, regardless of the collection date, should be included in Revenue Account Codes 1110 and 1210, as appropriate. Delinquent tax amounts should be combined and reported with regularly paid taxes in these account codes. Penalties and interest on the delinquent taxes are to be reported separately in Revenue Codes 1140 and 1240, as applicable.

Charter School Legislation

The South Carolina Charter Schools Act was originally enacted in 1996 and amended in 2002. The General Assembly passed this legislation to provide for the organization and operation of flexible, innovative, and substantially deregulated public schools as part of the effort to reform and improve the state's educational system. A charter school is defined in the law as a public, nonsectarian, nonreligious, nonhome-based, nonprofit corporation forming a school that operates within a public school district but is accountable to the local school board of trustees of the district that grants its charter. The charter school is considered a public school and part of the school district in which it is located for the purposes of state law and the state constitution. The charter school must be administered and governed by a governing body in a manner agreed to by the charter school applicant and the sponsor (local school district's board of trustees). The governing body is to be elected annually.

See page 1 in this document for specific guidance on public charter school reporting requirements. A list of school districts with operating charter schools for FY 2005–06 is provided in appendix B of this document.

Reclassification of Expenditures

Reclassification of expenditures in the independent auditor's working papers must reference the specific expenditures being reclassified. The reclassification of any expenditure from one fund and/or function to another must contain sufficient documentation to enable determination of compliance with federal or state program requirements.

Revised/New Audit Standards

- GASB Statement No. 43, "Financial Reporting for Post Employment Benefit Plans Other Than Pension Plans," establishes uniform standards of financial reporting by state and local government entities other post employment benefit plans (OPEB plans).
- GASB Statement No. 47 "Accounting for Termination Benefits," establishes accounting standards for termination benefits (supersedes accounting guidance in National Council on Governmental Accounting (NCGA) Interpretation 8, Certain Pension Matters, as amended).
- SAS No. 102 "Defining Professional Requirements in Statements on Auditing Standards" describes the degrees of responsibility that the requirements impose on the auditor. This standard amends paragraph .04 of the AU section 150, Generally Accepted Auditing Standards.
- SAS No. 103 "Audit Documentation" establishes standards and provides guidance to an auditor of a nonissuer on audit documentation. This SAS amends paragraphs .01 and .05 of AU section 530, "Dating of the Independent Auditor's Report, Codification (AICPA, Professional Standards, vol. 1).

- SAS Nos. 104 – 111 “Risk Assessment Standards” establish standards and provide guidance concerning the auditor’s assessment of the risks of material misstatement (whether caused by error fraud) in a financial statement audit, and the design and performance of audit procedures whose nature, timing, and extent are responsive to the assessed risks. Additionally, the Statements establish standards and provide guidance on planning and supervision, the nature of audit evidence, and evaluating whether the audit evidence obtained affords a reasonable basis for an opinion regarding the financial statements under audit.

SDE Revenue Confirmation

A sample letter (“Release Authorization for School District Data”) that can be used to request school district revenue data from the SDE Office of Finance is included in this guide as appendix F. The submission of a copy of this letter authorizes the South Carolina Department of Education to provide the independent auditor with direct confirmation of payments from the Department to the LEA. Any questions concerning the payment confirmation should be directed to Susan Flanagan in the SDE Office of Finance at 803-734-8488.

Summary of Findings Cited in the Single Audit Reports

Desk Reviews—Single Audit Requirements

The following items were noted during the desk review process (page numbers and outside references are in brackets):

- District Corrective Action Plan omits required elements and is not provided with the audit report by the required due date of December 1. [26–27, 131]
- Failure to provide federal program information in the required format for the Schedule of Expenditures of Federal Awards. [132]
- Failure to include notes that describe the significant accounting policies used in preparing the Schedule of Expenditures of Federal Awards according to Circular A-133, Section _____.310(b)(4). [132]
- Failure to include required detail of federal award findings in the Schedule of Findings and Questioned Costs. [129]
- Auditor’s Opinion omits explanatory paragraph referencing a change in accounting principle for the adoption of GASB Statement No. 34. *Audits of State and Local Governments (GASB 34 Edition)*, Paragraph 14.76.
- Auditor’s Opinion omits next to the last paragraph referencing opinion on internal control and compliance in a separate part of the report. *Audits of State and Local Governments (GASB 34 Edition)*, Appendix 14A, A.1

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- Auditor’s Opinion omits identification of budgetary comparison information as required by *Audits of State and Local Governments (GASB 34 Edition)*, Appendix 14A, Example 14A.1
- Required Supplementary Information does not include “original” budget amounts in budgetary comparison schedule required by GASB Statement No. 34, paragraph 130.
- EIA Summary Schedule by Program omits two additional columns, EIA Interfund Transfers In/(Out), Other Fund Transfers In/(Out).
- In the Notes to the Financial Statements, *Budgetary Accounting* includes an incorrect statement: “All General Fund and Special Revenue Fund appropriations lapse at year end”. --
--Incorrect because of Funding Flexibility.

Desk Reviews—SDE Audit Requirements

- Failure to include data for public charter schools and other component units in the SDE required supplemental schedules of the primary reporting unit (school district). [6]
- Omission of separate SDE required supplemental schedules for public charter schools. [6]
- Use of incorrect/invalid account numbers in supplemental schedules and use of valid account numbers in unauthorized fund types. [6, 49–113]
- Failure to report expenditures for audit fees separately in the General Fund (Account 231-318), which adversely affects the LEA’s indirect cost rate. [59]
- Failure to use object-level detail required for expenditures in the School Building Fund. [108–109]
- Exclusion of SDE assigned subfund codes in the Special Revenue Supplemental Schedule and the Schedule of Expenditures of Federal Awards. [7, 64, and 132]

Quality Control Reviews (QCRs)

The following items were noted during the QCR process:

- Failure to provide an engagement letter to ensure that the LEA and its auditor have a complete understanding of audit requirements and work to be performed.
- Failure to include in the engagement contract the requirement for a three-year record retention period and access to working papers and other applicable documents upon the request of other governmental auditors. [OMB Circular A-133, Section ____ 515]
- Insufficient documentation in the working papers or failure to test/evaluate the Food Distribution/Commodities program (included with CFDA 10.553 and 10.555) as part of the food service cluster of programs. [166]

AUDIT REQUIREMENTS

The SDE requires that annual audits be in conformity with the statewide accounting system and the *SDE Financial Accounting Handbook*. Appropriate account codes are required for financial data presented in all SDE supplemental schedules on pages 49–113 of this document. Please note that different object-level expenditure codes are required for each schedule. Electronic copies of the prescribed formats for these required supplemental schedules are available from the Office of Finance. Upon your submission of a written request, the Microsoft Excel 2000 files will be emailed to you as file attachments. Requests for copies of the schedules should be sent to Melissa Austin, Audit Supervisor, at maustin@sde.state.sc.us.

In accordance with Section 59-17-100 of the S.C. Code of Laws, the required due date for submission of your annual single audit report is **December 1**. Transmittal of the audit report package is the responsibility of the reporting entity. Please include the following items in the audit report package for submission to the State Department of Education:

- **Three copies** of the single audit report;
- Summary schedule of prior audit findings, if applicable;
- Corrective action plan, if required;
- Completed OMB Circular A-133 Data Collection Form; and
- Supportive Information Sheet to support state and federal requirements.

These submission requirements should be shared with your independent auditor. Any questions related to the single audit process, OMB requirements, or the Supportive Information Sheet should be directed to Melissa Austin, Audit Supervisor, Office of Finance, District Auditing and Field Services Section.

Funding Flexibility

http://www.myschools.com/offices/finance/budget_information/

Funding Flexibility Procedures (FY 2005–06)

Provisos 1.57 and 1A.47 of the General Appropriation Act, 2005 S.C. Acts 115, state “For fiscal year 2005–06, all school districts and special schools of this state may transfer up to 100 percent of funds between programs to any instructional program provided the funds are utilized for direct classroom instruction.”

The following flexibility procedures have been implemented for FY 2005–06:

1. All transfers, including requests for Barnwell funds, must be completed and submitted to SDE by May 1, 2006.
2. Districts may “transfer up to 100 percent of funds between programs to any instructional program provided the funds are utilized for direct classroom instruction”. What this means is you may transfer revenue between programs regardless of fund source (the exceptions being the General Fund and Lottery Funds) as long as those expenditures are recorded in a 100 function.

3. If you choose to take advantage of this flexibility, you must maintain the integrity of the program guidelines as outlined in the Funding Manual.
4. Barnwell funds may be expended for any instructional program.
5. The following appropriations are **excluded** from this flexibility:

<u>Program</u>	<u>Revenue Code</u>
Refurbishment of K–8 Science Kits	3126
Junior Scholars Program	3523
EAA Teacher Specialist	3526
EAA Principal Specialist	3528
NBC Salary Supplement	3532
Teacher of the Year	3533
EAA Curriculum Specialist/District Instruction Facilitator	3536
EAA Principal Leader	3538
Teacher Salary Increase	3550
Teacher Salary Increase Fringe	3555
Teacher Supplies	3577
Principal Salary/Fringe Increase	3582
Bus Driver Salary Supplement	3598

6. Lottery funds and Federal funds are excluded from the flexibility provisos. Also, “any grant or technical assistance funds allocated directly to an individual school may not be reduced or reallocated within the school district and must be expended by the receiving school only according to the guidelines governing the funds.”
7. The Education Oversight Committee will perform a comprehensive review of ALL flexibility transfers. Any justification you provide must be complete and detailed. This information will also be provided to members of the General Assembly.

Carryover Funds

All EIA and restricted state grant subfunds have carryover provisions for FY 2005–06 except those noted in item 5, above. **The funds exempted from the carryover provisions are also exempted from the funding flexibility.**

Funding Flexibility - Fiscal Year 2005-2006
Provisos 1.57 and 1A.47

Deadline May 1
All Transfers must be reported and completed by deadline

District Name: _____

Restricted State Revenue and EIA Transfers - Attach Justification for Each Transfer

Transfer From (Include Program name and sub-fund *, **) Current Allocation Transfer Amount (up to 100%) Transfer to (Include Program name and sub-fund)
 (Identify any prior year carryover amounts)

- * Transfers from Special Revenue (800 & 900) and EIA (300) to General Fund are not allowed except for existing provisions (i.e., TSS and fringe).
- ** The following appropriations are excluded from this flexibility (both as transfers into and out): Teacher Salary Supplement/Fringe, National Board Certification, Principal/Teacher/Curriculum Specialists, Teacher Supply and Principal Salary Supplement, Teacher of the Year Awards, Bus Driver Salary Supplement, Refurbishment of K-8 Science Kits and all Lottery funds (with the exception of the 6-8 Middle School Program). Programs provided directly to an individual school are also excluded.

District Approval:

Board Chair Signature: _____ Date: _____

Superintendent Signature: _____ Date: _____

Completed by: (please print) _____ Date: _____

Contact Phone No: _____

SDE Review: _____ Date: _____

Questions related to the above form completion should be directed to the Office of Finance at 803-734-3605.
 The flexibility provision is to be evaluated annually by the Education Oversight Committee (EOC)

Barnwell (Children's Endowment) Fund Flexibility - Fiscal Year 2005-2006
Provisos 1.57 and 1A.47

Deadline May 1, 2006
All Transfers must be reported and completed by deadline

District Name: _____

Barnwell Funds Current Balance Transfer Amount Transfer To (Include Program Name and Sub-Fund)

2000 Projects			
2001 Projects			
2002 Projects			
2003 Projects			
2004 Projects			
2005 Projects (when available)			

District Approval:

Board Chair Signature: _____ Date: _____

Superintendent Signature: _____ Date: _____

Completed by: (please print) _____ Date: _____

Contact Phone No: _____

SDE Review: _____ Date: _____

Questions related to the above form completion should be directed to the Office of Finance at 803-734-8488
 The flexibility provision is to be evaluated annually by the Education Oversight Committee (EOC)

SAMPLE ACCOUNTING TRANSACTIONS FOR FUNDING FLEXIBILITY

Education Improvement Act:

<u>FUND</u>	<u>SUBFUND</u>	<u>ACCOUNT NUMBER</u>	<u>TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
EIA	320 - Gifted & Talented-Academic	422-710	Transfer to EIA Fund (Expenditure)	\$20,000	
EIA	346 - Academic Assistance K-3	422-710	Transfer to EIA Fund (Expenditure)	40,000	
EIA	348 - Academic Assistance 4-12	5230	Transfer from EIA Fund (Revenue)		\$60,000

OR

<u>FUND</u>	<u>SUBFUND</u>	<u>ACCOUNT NUMBER</u>	<u>TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
EIA	393 - EAA Reduce Class Size, Grades 1-3	421-710	Transfer to EIA Fund (Expenditure)	\$30,000	
EIA	383 - EAA Summer School	421-710	Transfer to EIA Fund (Expenditure)	10,000	
EIA	375 - Increase HS Diploma Requirements	5230	Transfer from EIA Fund (Revenue)		\$40,000

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Children's Education Endowment: (Barnwell)

<u>FUND</u>	<u>SUBFUND</u>	<u>ACCOUNT NUMBER</u>	<u>TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
Building	500 - Children's Education Endowment	420-710	Transfer to General Fund (Expenditure)	\$100,000	
General	100-General	5250	Transfer from School Building Fund (Revenue)		\$100,000

Questions related to the above accounting procedures should be directed to
the Office of District Auditing and Field Services at 803-734-8180

Compliance Requirements for Commercial Driver's License and Alcohol Testing (To Be Tested for All Districts)

The CFR, Title 49, Chapter III, Section 383 requires that during the audit the CPA must verify that the district has a current contract with a provider of drug testing services and can produce records on demand. The CPA must also verify that the district incurred expenditures for drug testing services that were a direct result of the contract. The CPA must test to ensure that the following specific drug tests are being performed:

- pre-employment drug testing,
- random drug testing, and
- postaccident drug testing.

For complete compliance procedures, see pp. 142–44.

Component Units

Section 59-40-50(B)(3) of the Code of Laws of South Carolina (1990), as amended, states that “A charter school must adhere to the same financial audits, audit procedures, and audit requirements as are applied to public schools operating in the same school district.” Because charter schools meet the criteria for a component unit, a charter school’s financial data should be included in the audit report of the financial reporting entity (sponsoring school district) by discrete presentation in accordance with Governmental Accounting Standards Board (GASB) Statement 14 as amended by GASB Statement No. 39. In addition, the notes to the reporting entity’s financial statements should include a brief description of the component unit(s) of the financial reporting entity and their relationships to the primary government. In some school districts, alternative schools and vocational schools meet the criteria for a component unit and should be included in the primary reporting entity’s annual audit report as described above for a charter school. For specific guidance on primary reporting entity and component unit presentation and disclosure, refer to section 2600 of the *Codification of Governmental Accounting and Financial Reporting Standards* (latest revision), published by the Governmental Accounting Standards Board.

Required Supplemental Schedules (Including Charter Schools and Other Component Units)

The required supplemental schedules found below (see pp. 49–113) should include the combined total revenues, expenditures, and changes in fund balances for the school district (primary reporting entity), charter schools, and other component units. In addition, SDE requires a separate supplemental schedule of revenues, expenditures, and changes in fund balance for each governmental fund, as applicable, to be included in the audit report for each component unit. The supplemental schedules for the component units should immediately follow the supplemental schedules of the primary reporting entity.

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A list of school districts with operating public charter schools for FY 2005–06 is given in appendix B of this document.

Special Revenue Fund: Supplemental Schedule, Subfunds, and Note Disclosure

The format for data presented in the **Special Revenue Fund** Schedule of Revenues, Expenditures, and Changes in Fund Balance includes standard SDE subfund codes and project numbers.

The specific project numbers presented in the “**Special Revenue**” column headings must be used to report revenues and expenditures *only for the projects listed*. For example, the column heading for Title I should include funds *only* for BA projects. Any other Title I projects should be included in the column headed “Other Special Revenue Programs.”

Subfund codes and project numbers will be required for each of the following programs: Title I, BA projects (Subfund 201/202); IDEA, CA projects (Subfund 203/204); Preschool Grants, CG projects (Subfund 205/206); Occupational Education, VA projects (Subfund 207/208); Drug and Violence Prevention, FP/FQ projects (Subfund 209/210); Adult Education, EA Projects.

In addition, a listing of all other subfunds included in the schedule in the columns “Adult Education,” “State-Restricted Grants,” and “Other Special Revenue Programs” are required in a note disclosure to the schedule. The prescribed format for the Special Revenue Supplemental Schedule is provided below (p. 64). See appendix C for an example of the subfund listing for the note disclosure.

INSITE™ Location Reconciliation Schedules

Two supplemental schedules are required to reconcile the total expenditures from all funds by location with the adjusted General Ledger submitted to the SDE by the district. Location reconciliation schedules must be prepared for school districts and for area vocational/technology centers. Detailed examples of these two schedules are shown below (see pp. 116–18).

EIA Compliance

The Education Improvement Act (EIA) of 1984 created an addition to the Special Revenue Fund. Due to the monitoring and audit requirements mandated by the South Carolina General Assembly, it is necessary that this program be shown in the supplementary schedules as a separate EIA Special Revenue Fund, as presented below (pp. 93–105). It is also necessary that accounting for certain EIA programs varies from traditional theoretical accounting. Guidance in these areas is provided below.

All revenue for each strategy in the EIA Fund must be expended within that strategy by the end of the fiscal year in which it is received, except for those programs that have carryover provisions (see below, p. 14). In accordance with S.C. Code Ann. § 59-21-1020(2004), “any line item appropriation not fully expended for any program under the South Carolina Education Improvement Act of 1984 reverts to the fund.”

Accrued expenditures must at least equal the earned revenue for each EIA strategy, and any unexpended EIA funding must be reported on the balance sheet as a “Due to State.” Also, all unexpended funds must be included in the Detailed Schedule of Due to State Department of Education/Federal Government. More specific information on EIA funding levels and allowable expenditures is provided to the districts in the annual *Funding Manual* published by the State Department of Education. A copy of the publication is available on the SDE Web at <http://ed.sc.gov/agency/offices/finance/manuals/index.html>.

PLEASE NOTE

Independent auditors should consider the effect of compliance with the program requirements listed below when preparing the *Government Auditing Standards* (yellow book) compliance report.

Career and Technology Education Equipment (Subfund 905)

The General Assembly provides funds in the annual General Appropriation Act for the purchase of equipment for vocational training. The highest priority in funding must be given to workforce preparation and technical competency programs.

Suggested Audit Procedure(s)

- Review approved CATE programs/courses found in Appendix C of the Student Reporting Procedures Manual at

<http://www.ed.sc.gov/agency/offices/cate/datacollection/>

- Compare these approved programs/courses with those funded with state equipment funds to determine that these funds were only used for CATE approved programs/courses.

The federal regulations/state policies concerning inventorying equipment must be adhered to by each LEA and must be audited as follows:

- Federal and state regulations require an equipment inventory to be maintained on all equipment costing \$5,000 or more.
- Procedures for maintaining an inventory of equipment (including replacement equipment) until disposition takes place will meet the following requirements:
 - A. Property records must be maintained and must include a description of the property, a serial number or other identification number, the vendor's name, the acquisition date, the cost of the property, the percentage of federal participation in the cost of the property, the location of the property, and any ultimate disposition data, including the date of disposal and selling price of the property.
 - B. A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
 - C. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated.
 - D. Adequate maintenance procedures must be developed in order to keep the property in good condition.
- Disposal of obsolete equipment shall be handled in accordance with the following guidelines:

(Obsolete or inoperable equipment is equipment that is worn out, that is irreparable or not economically feasible to repair, or that has been replaced by new technology.)

 - A. Equipment Purchased Totally (100 Percent) with **Federal** Funds or Any Portion of **Federal** Funds

1. Equipment with Current, Per-Unit Fair Market Value of **Less Than \$5,000**

Accountability for Equipment:

Must be accounted for life of equipment or until equipment is no longer needed.

Disposition of Equipment (When No Longer Needed):

- a. May be used in other career and technology education programs funded with federal funds.
- b. May be traded in for another item of equipment to be used in career and technology education.
- c. If not needed in career and technology education, must be offered to other federally funded programs in district.
- d. If not able to be utilized by **any** federal program, items of equipment with a current per-unit fair market value of less than \$5,000 may be sold or otherwise disposed of with no further obligation to the Office of Career and Technology Education. The date of disposal and the sale price must be retained in equipment inventory files of the school district/vocational center.

2. Equipment with Current, Per-Unit Fair Market Value of **More Than \$5,000**

Accountability for Equipment:

Must be accounted for life of equipment or until equipment is no longer needed.

Disposition of Equipment: as above, items a–c.

When No Need Is Found
Items of equipment with a current per-unit fair market value in excess of \$5,000 may be sold, and the Office of Career and Technology Education shall be reimbursed in an amount calculated by multiplying the current market value or proceeds from sale by the Office of Career and Technology Education's share of the equipment. The date of disposal and the sale price must be retained in equipment inventory files of the school district/vocational center. Proper sales procedures must be established to ensure the highest possible return.

B. Equipment Purchased Totally (100 percent) with **State** or EIA Funds

Accountability for Equipment:

Must be accounted for life of equipment or until equipment is no longer needed.

Disposition of Equipment (When No Longer Needed):

1. If operable and not obsolete, all equipment purchased for a course must be transferred to the same course in another school in the district or to another school district/career center. The school district receiving the equipment must add items costing over \$5,000 to the inventory.
2. Equipment considered inoperable/obsolete may be sold with no responsibility to refund the state. The date of disposal and the sale price must be retained in equipment inventory files of the school district/vocational center.

Any questions related to above audit requirements should be directed to Joe Williams, Office of Career and Technology Education, Division of District and Community Services, at 803-734-8456 or jwilliam@sde.state.sc.us.

**School-to-Work
(Subfund 904)**

According to Proviso 1A.20 of the 2005–06 General Appropriation Act, \$75,000 of the funds appropriated for School-to-Work activities shall be used by the State Department of Education, through the South Carolina Education and Business Alliance, to provide for professional development in applied techniques and integration of curriculum, professional development in career guidance for teachers and guidance counselors and for training mentors. In addition, \$500,000 shall be allocated for career counseling specialists in the South Carolina Education and Business Alliance for School-to-Work activities.

These funds may be used by school districts to:

- provide a rigorous and relevant academic curriculum (e.g., implementation of new academic and/or applied academic courses; instructions provided in the skills and competencies identified in the SCANS [the U.S. Secretary of Labor’s Commission on Achieving Necessary Skills] report; instruction provided in statistics, logic, measurement and probability; student proficiency in keyboarding and computer literacy);
- restructure career and technology education programs to expand content, relevancy, and rigor to prepare students for lifelong learning and for living in a technological society (e.g., restructuring of career and technology education programs into career majors, establishing higher expectations for all students);
- provide career development and guidance and counseling activities from kindergarten through grade twelve;

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- develop and revise individual comprehensive career guidance plans for students in grades six through twelve;
- provide professional development opportunities for school counselors to expand their skills for integrating and implementing career guidance and planning into their comprehensive school counseling program;
- provide work exploration and experience opportunities for students (e.g., mentoring, shadowing, service learning);
- provide structured work-based learning opportunities (e.g., work-based learning, school-based learning, connecting activities);
- provide youth apprenticeship program opportunities;
- ensure participation in professional development in the areas of applied techniques, integration of curriculum, career guidance for teachers and guidance counselors, and training for mentors; and
- assess the rigor and relevancy of the School-to-Work system with a program quality review.

The following are **allowed expenditures**:

- Consultant fees; substitute teacher pay; per diem expenses for workshops for teachers, administrators, counselors and volunteers to implement School-to-Work activities (i.e., to provide opportunities for academic and career and technology education teachers to work together to plan integrated instruction for students); implement strategies and action plans to address accelerated learning for students who are behind their age peers; provide professional development activities to train teachers in identifying, assessing and accommodating different learning styles; provide professional development activities in the areas of applied techniques and workshops on career guidance for teachers and counselors; provide training for mentors; and provide supplies and equipment for the applied academic courses.
- Salary, fringe benefits, travel, and routine office supplies and equipment for the School-to-Work coordinator.
- Travel for students to work sites. Please ensure that travel funds expended are for approvable, work-based learning activities. The work-based learning must complement and relate to the school-based career majors that the students are pursuing. Travel records must be maintained by the school district.
- Salary, fringe benefits, travel, supplies, and equipment for a career specialist.

Any questions related to above audit requirements should be directed to Joe Williams, Office of Career and Technology Education, Division of District and Community Services, at 803-734-8456 or jwilliam@sde.state.sc.us.

School Building Funds Verification (EIA Subfund 3590)

Beginning in fiscal year (FY) 1996–97, auditors were required to monitor school district expenditures of EIA school building funds to ensure compliance with state laws and regulations. Proviso 19A.49 of the 1997–98 General Appropriation Act states that “The Department of Education shall require that school districts include in their annual audit a verification of compliance with all applicable state laws associated with the use of these funds.”

Funds can be used for the following purposes:

- A. Capital improvements, including construction, renovation, or repair of school classrooms, libraries, laboratories, music rooms, and other **instructional** facilities. **Noninstructional capital needs and operating requirements do not qualify.**
- B. Reduction of millage required to pay principal and interest on bonds issued for facilities capital improvement programs.

To qualify under this provision, the district board of trustees must

- maintain at least the level of financial effort per pupil for noncapital programs in prior years, and
- adopt and file with the Division of General Services a procurement code modeled after the South Carolina Consolidated Procurement Code or the model set forth in the report of the local Government Task Force on Procurement.

The stipulations regarding the expenditure of these funds are

- A. If a school district has issued bonds or otherwise undertaken any capital improvements during any of the most recent five (5) fiscal years, at least 50 percent of the funds must be used to reduce millage required to pay debt service on such outstanding bonds, unless a waiver is granted by the State Board of Education.
- B. Funds must be expended in accordance with the *South Carolina School Facilities Planning and Construction Guide*.
- C. The funds authorized herein for reduction of tax millage for debt service may not be expended in conjunction with the authorization of bonds that increase a school district’s bonded indebtedness above the limit provided for in Article X of the South Carolina Constitution or expended to pay debt service on bond anticipation notes authorized that would put the total bonded indebtedness of the school district above the mandated limit.
- D. Any funds allocated pursuant to the EIA must be expended or contractually committed within forty-eight (48) months of the appropriation provided for school buildings under this act. Waivers of the requirement that 50 percent of the EIA funds must be expended to reduce millage may be granted by the State Board of Education for either of the following reasons:

- The district anticipates a significant increase in need for additional classroom space.

OR

- The school district sold bonds or secured a loan at an interest rate lower than prevailing rates and has identified a need for funds in excess of 50 percent of the funds allocated to the district from EIA.

SDE contact: Alex James
803-734-4837
ajames@sde.state.sc.us

Accounting for EIA Summer School

Gifted and Talented—Academic (Revenue Code 3520, Subfund 320) and Gifted and Talented—Artistic (Revenue Code 3522, Subfund 322) funds are allocated to operate a summer school program. The Academic Assistance K–3 (Revenue Code 3546, Subfund 346) and Academic Assistance 4–12 (Revenue Code 3548, Subfund 348) Programs have provisions for a summer school program with State Board of Education approval. Expenditures for the Gifted and Talented summer school program will be recorded using the following function code:

- 174 *Gifted and Talented Summer School.* Instructional activities offered outside the regular school term for eligible students identified as gifted and/or talented.

Because summer school extends into two fiscal years, under traditional accounting procedures these transactions would be separated into the appropriate fiscal year. However, **both revenues and expenditures for the entire summer school are to be combined and reported in the first fiscal year.** For instance, the entire amount for a summer school conducted in June, July, and August of 2006 would be recorded in FY 2005–06. For actual payments in July and August, invoices for goods and services received prior to July 1 will be required in the audit process. However, if a summer school program is allowable under a particular subfund, invoices for goods and services received prior to August 31 will be acceptable, although the expenditures should be accrued in the previous year.

This procedure requires that all revenues and expenditures for July and August be applied in the previous fiscal year.

The following are examples of transactions:

Transactions during June

1. received from the state in Gifted and Talented funds	\$20,000
2. paid Gifted and Talented salaries	18,500
3. paid supplies	4,500

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Transactions during July and August

4.	paid Gifted and Talented salaries	20,000
5.	paid supplies	7,000

Journal entries during June

		<u>Debit</u>	<u>Credit</u>
1.	320-140-000 County Treasurer	\$20,000	
	320-352-000 EIA Gifted and Talented—Revenue		\$20,000
2.	320-175-110 Gifted and Talented—Salaries	18,500	
	320-101-000 Cash		18,500
3.	320-175-410 Gifted and Talented—Supplies	4,500	
	320-101-000 Cash		4,500

Adjusting entries at fiscal year-end

4.	320-143-000 Due from State Government	30,000	
	320-352-000 EIA Gifted and Talented—Revenue		30,000
5.	320-175-110 Gifted and Talented—Salaries	20,000	
	320-460-000 Accrued Salaries		20,000
6.	320-175-410 Gifted and Talented—Supplies	7,000	
	320-402-000 Accounts Payable		7,000

July and August transactions

7.	320-140-000 Due from County Treasurer	30,000	
	320-143-000 Due from State Government		30,000
8.	320-460-000 Accrued Salaries	20,000	
	320-101-000 Cash		20,000
9.	320-402-000 Accounts Payable	7,000	
	320-101-000 Cash		7,000

Allowable Transfers of EIA Funds

Only the following EIA revenues may be transferred from the EIA Fund to the General Fund:

<u>Program</u>	<u>Revenue Code</u>	<u>Subfund</u>
Teacher Salary Increase	3550	350
Employer Contributions	3555	355

If the LEA elects to transfer Teacher Salary Increase funds, the corresponding Employer Contributions funds must also be transferred.

Reallocation of EIA Funds (Revenue Code 3590, Subfund 390) for school building aid may be transferred from the EIA Fund to the School Building Fund or the Debt Service Fund.

EIA Summary Schedule including Deferred Revenue

Balance sheet accounts recorded as deferred revenue for the EIA Fund are no longer required in a separate detailed schedule of deferred revenue as part of the audit. The SDE can conduct the monitoring and final disposition of carryover funding by using the deferred revenue information included in the EIA *Summary Schedule by Program*. Submission of this summary schedule as presented below (see p. 104) is required by SDE. If there are no deferred EIA revenues, the statement “No deferred revenues” should be included in the schedule. The “Due to” column has been deleted from the schedule since this information is required in the separate Detailed Schedule of Due to State Department of Education/Federal Government.

The Education Accountability Act

The Education Accountability Act (EAA) of 1998 was enacted to establish statewide academic standards, to provide annual report cards depicting school performance, to require districts to establish local accountability systems, and to provide resources to improve student performance and staff development. In addition, the EAA provides for the implementation and oversight of the above provisions.

Accountability as defined in the Act means acceptance of the responsibility for improving student performance and taking actions to improve classroom practice and school performance by the Governor, the General Assembly, the State Department of Education, colleges and universities, local school boards, administrators, teachers, parents, students, and the community.

EAA accountability assigned to the SDE includes the monitoring of funds allocated to school districts for programs designed to improve student performance. Since some of the EAA programs will be designated as restricted state grants, detailed information needed for monitoring purposes can not be ascertained in the current supplemental schedule for the Special Revenue Fund. An additional summary schedule will be required to provide revenue and expenditure data for designated restricted state grants. The supplemental schedule is placed immediately after the supplemental schedule for the Special Revenue Fund below (see p. 92).

Accounting for EAA Summer School

According to Proviso 1.49 of the 2005–06 State Appropriation Act, “current year appropriations may be expended for prior year EAA summer school purposes.” Consequently, the SDE allows that any EAA summer school program administered during the summer of 2005 may be reported in FY 2004–05. This procedure is consistent with procedures used for reporting EIA summer school transactions.

Because summer school extends into two fiscal years, both revenues and expenditures for the entire summer school are to be combined and reported in the first fiscal year. For instance, the entire amount for the EAA summer school program operating in May through August of 2005 will be recorded in fiscal year FY 2004–05.

The SDE has assigned separate EAA Subfund Code 383 and Revenue Code 3583 to account for this program. Appropriate summer school instructional function codes (171 and 172) and related support services function codes are to be used in recording total expenditures for the EAA summer school program in SDE Subfund Code 383. Total expenditures for this program should include transportation costs as well as other costs that would otherwise be recorded in the General Fund or in the Pupil Activity Fund.

Special Revenue Fund Project Schedules

Non-EIA individual project schedules are no longer required by SDE, and the project schedule examples have been deleted from this guide. Program detail must be maintained at the district level.

During FY 1990–91, the accounting procedure for federal occupational education projects was revised. Instead of a separate number being assigned to each project, a single project number is used for the Career and Technology Program. Each project within the program is assigned a separate **subprogram** number. See appendix D.

The projects must be reported by separate **subprogram** number in the Schedule of Expenditures of Federal Awards (SEFA). Having each project and subprogram reported separately by program is necessary for the Department’s analysis and oversight of state and federal programs. See example below (p. 133).

Federal Emergency Management Agency (FEMA)

The South Carolina Department of Education and each school district may receive federal assistance in the form of grants under the Public Assistance Program in the event of a disaster or emergency declared by the President. Upon receiving such assistance, entities are required to comply with the provisions set forth under the Single Audit Act Amendments of 1996. Additionally, each grant recipient is subject to additional audit efforts by the Department of Homeland Security Office of Inspector General and by the State Auditor for items not covered by the single audit.

A supplemental schedule developed by the independent auditor, detailing a list of all project worksheets, will be required. Totals from this schedule must agree with the totals for FEMA assistance reported in the Schedule of Expenditures of Federal Awards. The supplemental schedule should include the project worksheet number, the approved amount, expenditures, and questioned costs (if any for a given project worksheet).

The supplemental schedule and one copy of any audit (single audit or other) are to be submitted to the State Public Assistance Office, South Carolina Emergency Management Division, 2779 Fish Hatchery Road, West Columbia, SC 29172-2024.

Account Code Changes

Some account code changes were implemented in the statewide accounting system, and a few account titles were modified this year. Please refer to Guide No. Acc/207–12 of the *SDE Financial Accounting Handbook* for appropriate account definitions and classifications. The following table provides the 2005–06 revisions to account code numbers and titles.

2005–06 Changes in Statewide Accounting System Account Codes and Titles

REVENUE ADDITIONS

Account Code	Account Title	Applicable Fund Type(s)
1931	Therapy Adjustment – Medicaid	General, Special Revenue
3133	Hold Harmless	General
3162	Transportation Workers' Compensation	General
3501	Increase High School Diploma Requirements	EIA
3505	School Technology Initiative	EIA
3526	EAA Teacher Specialist (No Carryover Provision)	EIA
3528	EAA Principal Specialist (No Carryover Provision)	EIA
3536	EAA Curriculum Specialist/District Instruction Facilitator (No Carryover Provision)	EIA
3538	EAA Principal Leader (No Carryover Provision)	EIA
3542	Preschool Programs for Children with Disabilities	EIA
3562	Adult Education, Basic (Includes Rural and Workforce Initiative)	EIA
3564	Adult Education, Young Adult Initiative	EIA
3565	Adult Education, Literacy	EIA
3578	High Schools That Work	EIA
3583	EAA Summer School/Comprehensive Remediation	EIA
3591	Excellence In Middle Schools	EIA
3593	EAA Reduce Class Size Grades 1 – 3	EIA
3596	EAA Alternative Schools Program	EIA
4994	Temporary Emergency Impact Aid for Displaced Students	Special Revenue

REVENUE DELETIONS

Account Code	Account Title	Applicable Fund Type(s)
3121	EAA Summer School/Comprehensive Remediation	Special Revenue
3122	Increase High School Diploma	Special Revenue

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	Requirements	
3123	EAA Alternative Schools Program	Special Revenue
3129	EAA Reduce Class Size Grades 1 – 3	Special Revenue
3135	Preschool Programs for Children with Disabilities	Special Revenue
3151	Adult Education, Basic (Includes Workforce Initiative)	Special Revenue
3152	Adult Education Literacy	Special Revenue
3174	State School Facilities Bond Act (Carryover from 2003 – 04 only)	School Building, Debt Service
3183	Health/Dental Benefits (Part-Time Teachers)(No Carryover Provision)	General
3185	National Board Certification (NBC) Salary Supplement (No Carryover Provision)	Special Revenue
3191	Excellence in Middle Schools	Special Revenue
3196	EAA Principal Leader (No Carryover Provision)	Special Revenue
3601	EAA Teacher Specialist/Curriculum Specialist/District Instruction Facilitator (No Carryover Provision)	Special Revenue
3602	EAA Principal Specialist (No Carryover Provision)	Special Revenue
3608	High Schools That Work	Special Revenue
4230	Appalachian Regional Commission	Special Revenue
4240	School-to-Work Implementation Grant (Carryover from 2003 – 04 only)	Special Revenue
4930	Workforce Investment Act Incentive Grant	Special Revenue
4940	Statewide Systemic Initiatives (NSF Grants) (Carryover from 2003 – 04 only)	Special Revenue
4950	School Renovation, IDEA, and Technology Grants (Carryover from 2003 – 04 only)	Special Revenue
4951	Renovation	Special Revenue
4952	IDEA	Special Revenue
4953	Technology	Special Revenue
4997	Community Service Learning Grant	Special Revenue
4998	Before/After-School Day Care	Special REvenue

CHANGES IN REVENUE ACCOUNT TITLES

Account Code	Account Title	Applicable Fund Type(s)
3124	Career and Technology Education (CTE) Technology Initiative (Carryover from 2004–05 only)	Special Revenue
3192	School Safety Officers (Carryover from 2004–05 only)	Special Revenue
3198	School Technology Initiative (Carryover from 2004–05 only)	Special Revenue

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3507	School Innovation Funds (Carryover from 2004–05 only)	EIA
3529	EAA Retraining Funds	EIA
3588	EAA Palmetto Gold and Silver Awards	EIA
3595	EAA Homework Center Awards (Unsatisfactory & Below Average Schools)	EIA
3603	EAA Afterschool/Homework Center Awards (Below Average Schools) (Carryover form 2004–05 only)	Special Revenue
3604	EAA Retraining Funds (Carryover from 2004–05 only)	Special Revenue
3605	EAA Palmetto Gold and Silver Awards (Carryover from 2004–05 only)	Special Revenue
3680	First Steps FAMILY LITERACY Program (Carryover from 2004–05 only)	Special Revenue
4310	Title I, Basic State Grant Programs (Carryover Provision)	Special Revenue
4318	SC Reading First	Special Revenue
4325	Mathematics and Science Partnerships Program, Title II (Carryover Provision)	Special Revenue
4331	Enhancing Education Through Technology (E2T2), Title II (Carryover Provision)	Special Revenue
4351	Improving Teacher Quality (Carryover Provision)	Special Revenue

EXPENDITURE ADDITIONS

Object Code	Account Title	Applicable Fund Type(s)
	None	

EXPENDITURE DELETIONS

Object Code	Account Title	Applicable Fund Type(s)
	None	

CHANGES IN EXPENDITURE ACCOUNT TITLES

Account Code	Account Title	Applicable Fund Type(s)
	None	

SDE Assigned Subfund Code Changes

SUBFUND CODE ADDITIONS

Subfund		
Code	Program Title	Applicable Fund Type(s)
100	Hold Harmless	General
100	Transportation Workers' Compensation	General
214	Individuals With Disabilities Education Act (IDEA-CE Projects only Current Year (84.027))	Special Revenue
244	Temporary Emergency Impact Aid for Disabled Students	Special Revenue
301	Increase High School Diploma Requirements	EIA
305	School Technology Initiative	EIA
326	EAA Teacher Specialist (No Carryover Provision)	EIA
328	EAA Principal Specialist (No Carryover Provision)	EIA
336	EAA Curriculum Specialist/District Instruction Facilitator (No Carryover Provision)	EIA
338	EAA Principal Leader (No Carryover Provision)	EIA
342	Preschool Programs for Children with Disabilities	EIA
362	Adult Education, Basic (Includes Rural Initiative)	EIA
364	Adult Education, Young Adult Initiative	EIA
365	Adult Education Literacy	EIA
378	High Schools That Work	EIA
383/384	EAA Summer School/Comprehensive Remediation	EIA
391	Excellence In Middle Schools	EIA
393	EAA Reduce Class Size Grades 1 – 3	EIA
396	EAA Alternative Schools Program	EIA

SUBFUND CODE DELETIONS

Subfund		
Code	Program Title	Applicable Fund Type(s)
100	Health/Dental Benefits (Part-Time Teachers)(No Carryover Provision)	General
220	Before/After-School Day Care (Federal)	Special Revenue
230	Workforce Investment Act Incentive Grant	Special Revenue

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240	Appalachian Regional Commission (ARC) (84.923 and 23.002)	Special Revenue
245	Statewide Systemic Initiatives (NSF Grants)(Carryover from 2003 – 04 only)	Special Revenue
250	Community Service Learning Grant (84.184C)	Special Revenue
261	School-to-Work Implementation Grant (Carryover from 2003 – 04 only) (17.249)	Special Revenue
266	School Renovation, IDEA, and Technology (RIT)Grants (84.352A)(Carryover from 2003 – 04 only)	Special Revenue
266	Renovation	Special Revenue
266	IDEA	Special Revenue
266	Technology	Special Revenue
500	State School Facilities Bond Act (Carryover from 2003 – 04 only)	School Building
901	Increase High School Diploma Requirements	Special Revenue
914	Adult Education-Literacy	Special Revenue
917	Preschool Programs for Children with Disabilities	Special Revenue
918	Adult Education, Basic (includes Rural Initiative)	Special Revenue
923	EAA Alternative Schools Program	Special Revenue
926	EAA Principal Leader (No Carryover Provision)	Special Revenue
929	EAA Reduce Class Size Grades 1 – 3	Special Revenue
931/932	EAA Summer School/Comprehensive Remediation	Special Revenue
934	Excellence in Middle Schools	Special Revenue
935	National Board Certification (NBC) Salary Supplement (No Carryover Provision)	Special Revenue
961	EAA Teacher Specialist/Curriculum Specialist/District Instruction Facilitator (No Carryover Provision)	Special Revenue
962	EAA Principal Specialist (No Carryover Provision)	Special Revenue
968	High Schools That Work	Special Revenue

CHANGES IN SUBFUND CODE TITLES

Subfund Code	Program Title	Applicable Fund Type(s)
200	Title I, Basic State Grant Programs (Carryover Provision)	Special Revenue
218	SC Reading First, Title I (84.357)	Special Revenue

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225	Mathematics and Science Partnerships Program, Title II (84.366B)	Special Revenue
253	Enhancing Education Through Technology (E2T2), Title II (84.318) (Carryover Provision)	Special Revenue
267	Improving Teacher Quality(84.367A) (Carryover Provision)	Special Revenue
307	School Innovation Funds (Carryover from 2004–05 only)	EIA
329	EAA Retraining Funds	EIA
388	EAA Palmetto Gold and Silver Awards	EIA
395	EAA Homework Center Awards (Unsatisfactory & Below Average Schools)	EIA
904	Career and Technology Education (CTE)(Carryover from 2004–05 only)	Special Revenue
911	School Technology Initiative (Carryover from 2004–05 only)	Special Revenue
933	School Safety Officers (Carryover from 2004–05 only)	Special Revenue
963	EAA Afterschool/Homework Centers Awards (Below Average Schools) (Carryover from 2004–05 only)	Special Revenue
964	EAA Retraining Funds (Carryover from 2004 –05 only)	Special Revenue
965	EAA Palmetto Gold and Silver Awards (Carryover from 2004–05 only)	Special Revenue
980	First Steps FAMILY LITERACY Program (Carryover from 2004–05 only)	Special Revenue

Audit Reports

In 1984, the United States Congress—concerned about fiscal responsibility and management of the \$100 billion dollars annually dispersed by the federal government—passed the Single Audit Act. In July 1996, Congress enacted Public Law 104-156, Single Audit Act Amendments (SAAA). The amendments were developed to streamline and improve the effectiveness of the Single Audit Act and to further define audit requirements for all entities that receive and administer federal financial assistance. Section 7502 of the SAAA requires that “Each non-Federal entity that expends a total amount of Federal awards equal to or in excess of \$300,000 . . . in any fiscal year . . . shall have either a single audit or a program- specific audit made.” **Final revisions to OMB Circular A-133 increase the audit threshold from \$300,000 to \$500,000 for fiscal years ending after December 31, 2003.**

The amendments require the use of a risk-based audit approach in determining major programs, clarify the definition of federal awards, expand the definition of internal controls, and establish specific responsibilities for auditors, federal agencies, pass-through entities, and subrecipients.

The amendments authorize the director of the Office of Management and Budget (OMB) to issue guidance for the implementation of the SAAA. This guidance is incorporated in OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The Circular is effective for audits of fiscal years beginning after June 30, 1996.

IT IS INCUMBENT UPON SCHOOL DISTRICTS AND THEIR INDEPENDENT AUDITORS TO ENSURE THAT THE ANNUAL AUDIT IS CONDUCTED AND PREPARED ACCORDING TO THE REQUIREMENTS AND FORMAT PRESCRIBED IN CIRCULAR A-133.

Circular A-133 mandates specific audit responsibilities for pass-through entities. The SDE is required to monitor subrecipients to ensure that federal awards are used for authorized purposes in compliance with laws, regulations, and provisions of contracts or grant agreements. Additionally, the SDE must advise subrecipients of, and ensure their adherence to, applicable audit requirements contained in OMB Circular A-133 as well as any supplemental requirements imposed by the SDE.

The State Department of Education has assumed responsibilities as the pass-through entity for federal funds received and passed on by the Department and will monitor the requirements of the Single Audit Act and the 1996 amendments by

- a. ensuring that audits are made and reports are received in a timely manner and in accordance with the requirements of OMB Circular A-133;
- b. providing technical advice and serving as liaison to local school districts, other entities, and independent auditors;
- c. conducting quality control reviews of selected audits prepared by independent certified public accountants and providing results to other organizations, as appropriate;

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- d. informing affected federal agencies and appropriate federal law enforcement officials of any reported illegal acts or irregularities. Also, informing state or local law enforcement and prosecuting authorities, if not advised by the recipient, of any violation of law within their jurisdiction;
- e. advising the auditor and auditee when the audit has not met the requirements of OMB Circular A-133 and monitoring corrective action to ensure adherence to the requirements; **[Major inadequacies or repetitive substandard performance of independent auditors will be referred to the State Board of Accountancy or other appropriate agency.]**
- f. coordinating, to the extent practical, audits made by or for federal agencies that are in addition to the audits made pursuant to OMB Circular A-133 so that the additional audits build upon such audits; and
- g. issuing management decisions on audit findings within six months after receipt of the audit and overseeing the resolution of audit findings to ensure that school districts take appropriate and timely corrective action.

The auditor who performs the audit should understand clearly that the Single Audit Act and OMB Circular A-133 audit requirements apply to those funds that are totally or partially supported by federal funds. The Single Audit Act and the 1996 amendments require opinions and comments that go beyond the standard opinions and comments usually presented in audit reports. Therefore, all programs that are totally or partially supported by federal funds must be segregated in the Special Revenue Fund—**except for the food service program, which that maintains its own identity in a separate fund type.**

The audit reports prepared at the completion of the audit must not only meet the requirements of the Single Audit Act and the Amendments of 1996 but also must serve the needs of the State Department of Education as described in State Board of Education regulations.

THREE COPIES of the audit report, a copy of the data collection form, and if applicable, the corrective action plan and management letter must be received by the State Department of Education by **December 1** following the close of the fiscal year. The chief administrative officer of the primary reporting entity (LEA, area vocational/technology center, county board) is responsible for ensuring that the required copies of the audit reports are submitted to the SDE.

In accordance with SAAA Section 7502(g) of Chapter 75, “Requirements for Single Audits”, and Section __.505, “Audit Reporting”, of OMB Circular A-133,²² the SDE will review audit reports to ensure that the following items are included:

- a. the independent auditor’s opinion on financial statements and on the Schedule of Expenditures of Federal Awards;
- b. the basic financial statements;
- c. the Schedule of Expenditures of Federal Awards;
- d. the “Independent Auditor’s Report on Compliance and on Internal Control over Financial Statements Performed in Accordance with Government Auditing Standards”;

- e. the “Independent Auditor’s Report(s) on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133”;
- f. the Schedule of Findings and Questioned Costs, which includes (1) the summary of the auditor’s results, (2) the findings for the financial statements, (3) the findings for federal awards and identification of major programs, (4) the findings for both financial statements and federal awards, and (5) the identifying reference numbers for each finding;
- g. the separate written report covering fraud, abuse, or illegal acts or indications of such acts (to be submitted only if such abuses or acts are detected);
- h. the separate Corrective Action Plan (submitted with the audit) addressing each audit finding included in the current year audit reports; and
- i. the summary schedule of prior audit findings, in accordance with the format presented in OMB Circular A-133, Subpart B, “Audit Findings Follow-Up,” Section __.315.

As prescribed by Circular A-133, a reporting package including the above items and an accompanying data collection form (original signed copy) are to be submitted to the Federal Audit Clearinghouse designated by the OMB. Specific items to be included on the data collection form may be found in Circular A-133 under Section __.320, “Report Submission.” This form is not available from the SDE. Remember that the data collection form is a federal form and will be rejected by the Clearinghouse if any state program funds are listed in response to any of the items on the form. The address for the Federal Audit Clearinghouse currently designated by the OMB is

Federal Audit Clearinghouse
Bureau of the Census
1201 E. 10th Street
Jeffersonville, IN 47132

The auditee is required to submit to the Clearinghouse additional copies of the reporting package for each federal awarding agency that has current or prior year audit findings for programs that were *directly funded* by federal awarding agencies. (See the list of auditee and auditor responsibilities required by OMB Circular A-133 below, p. 34).

The Federal Audit Clearinghouse home page on the Internet can be accessed at <<http://harvester.census.gov/sac>>. Other recommended sources and authoritative references that will assist in performing the single audit are listed below. Internet reference sites for single audits are listed in appendix E.

It should be noted that when one is using third-party guides, this guide, or other audit guides, the information may not be complete or updated to reflect the latest changes in the authoritative literature.

IT IS INCUMBENT UPON THE AUDITORS TO FOLLOW THE AUTHORITATIVE REFERENCES THEMSELVES FOR REPORTING PURPOSES.

Authoritative References

United States Code (31 U.S.C. § 7501)

Public Law 104-156, Single Audit Act Amendments of 1996.
<http://www.access.gpo.gov/uscode/>

General Accounting Office (GAO)

Government Auditing Standards (GAS), commonly referred to as the “yellow book.” Use latest version.
<http://www.gao.gov/>

Office of Management and Budget (OMB)

Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*.

Circular A-102, *Grants and Cooperative Agreements with State and Local Governments*.

Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Circular *A-133: Compliance Supplement*—is based on the requirements of the 1996 Amendments and the final revision of OMB Circular A-133. Use latest version.
http://www.whitehouse.gov/omb/circulars/a133_compliance/06/06toc.html

Catalog of Federal Domestic Assistance. <http://www.cfda.gov/>

American Institute of Certified Public Accountants (AICPA)

The AICPA sponsors the Financial Accounting Foundation (FAF), which appoints the members of the Financial Accounting Standards Board (FASB), the organization that establishes the body of regulations known as the generally accepted auditing standards (GAAS).

Codification of Statements on Auditing Standards. Use latest edition.

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Statement of Position (SOP) 98-3, *Audits of States, Local Governments, and Not-for-Profit Organizations Receiving Federal Awards*

Audits of State and Local Governmental Units (ASLGU). Use latest edition.

Statement on Auditing Standards 58, *Reports on Audited Financial Statements*

Statement on Auditing Standards 75, *Engagements to Apply Agreed-Upon Procedures to Specified Elements, Accounts, or Items of a Financial Statement*

Statement on Auditing Standards 79, *Amendment to SAS 58*

Statement on Auditing Standards 84, *Communications between Predecessor and Successor Auditors*
<http://www.aicpa.org/>

Statement on Auditing Standards 99, *“Consideration of Fraud in a Financial Statement Audit”*

Governmental Accounting Standards Board (GASB)

Codification of Governmental Accounting and Financial Reporting Standards. Use latest edition.

Governmental Accounting Standards Board (GASB) Statement No. 37, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments: Omnibus*

GASB Statement No. 38, *Certain Financial Statement Note Disclosures*

GASB Interpretation No. 39, *“Determining Whether Certain Organizations Are Component Units”*

Reporting Format

Reporting Format and Illustrative Table of Contents

(as required by GASB 34)

Examples of the uniform reporting format for supplemental schedules as allowed by the Single Audit Act and the state-defined program regulations are reflected in the subsequent pages of this audit guide. The following example lists the reports, statements, and supplemental information that are required as part of the audit report for compliance with GASB 34 reporting requirements.

Any School District Basic Financial Statements and Supplemental Information for the Fiscal Year Ended June 30, 20XX

Table of Contents

Basic Financial Statements

- “Independent Auditor’s Report on Basic Financial Statements” and Supplementary Schedule of Expenditures of Federal Awards [see below, p. 36]
- SOP 98-3 recommends that the auditor report on the Schedule of Expenditures of Federal Awards (SEFA) in the report on financial statements. However, if a separate single audit package is issued, the required reporting on the SEFA may be incorporated in the “Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.” If the SEFA is not presented with the basic financial statements but in a separate single audit package, exclude any reference to the schedule from this report. For SDE purposes, the single audit reports must be bound as one document. However, if the SEFA is presented in a “Single Audit” section of the audit report, then the language for the auditor’s opinion should follow the guidance for a “single audit package.”
- “Statement of Net Assets” [see below, p. 38]
- “Statement of Activities” [see below, p. 39]

Fund Financial Statements

- “Balance Sheet: Governmental Funds” an accompanying reconciliation [see below, p. 41]
- “Statement of Revenues, Expenditures, and Changes in Fund Balances: Governmental Funds” [see below, p. 42]
- “Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities” [see below, p. 43]

- “Statement of Net Assets: Proprietary Funds” [see below, p. 44]
- “Statement of Revenues, Expenses, and changes in Fund Net Assets: Proprietary Funds” [see below, p. 45]
- “Statement of Cash Flows: Proprietary Funds” [see below, p. 46]
- “Statement of Fiduciary Net Assets” [see below, p. 47]

SDE Supplemental Information (Account Code Numbers Required)

- **General Fund**
“Schedule of Revenues, Expenditures, and Changes in Fund Balance”
- “Required Supplementary Information: Budgetary Comparison Schedule – General Fund” [see below, p. 48]
- **Special Revenue Fund**
“Schedule of Revenues, Expenditures, and Changes in Fund Balance” (**excluding EIA and Food Service**)
- **Special Revenue Fund**
“Summary Schedule for Designated Restricted State Grants”
- **Special Revenue Fund: Education Improvement Act**
“Schedule of Revenues, Expenditures, and Changes in Fund Balance” (**all programs**)
- **Special Revenue Fund: Education Improvement Act**
“Summary Schedule by Program”
- **Debt Service Fund**
“Schedule of Revenues, Expenditures, and Changes in Fund Balance”
- **School Building Fund**
“Schedule of Revenues, Expenditures, and Changes in Fund Balance”
- **Food Service Fund**
“Schedule of Revenues, Expenses/Expenditures, and Changes in Fund Balance/Retained Earnings”
- **Pupil Activity Fund**
“Schedule of Receipts, Disbursements, and Changes in Fund Balance”
- “Detailed Schedule of Due to State Department of Education/Federal Government” [see p. 114]

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- **IN\$ITE™**
 - “School District Location Reconciliation Schedule”
 - “Independent Area Vocational/Technology Center Location Reconciliation Schedule”

Single Audit

- “Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards”
- “Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133”
- “Schedule of Findings and Questioned Costs” (required even if none) [see pp. 126–128 in this document]
- “Summary Schedule of Prior Audit Findings” [see p. 128 in this document]
- “Schedule of Expenditures of Federal Awards” [see p. 132 in this document]

OMB Circular A-133

Auditee and Auditor Responsibilities

AUDITEES	AUDITORS
<ul style="list-style-type: none"> • Identify all federal awards received and expended by program title, CFDA title and number, award number and year, federal awarding agency, and name of pass-through entity. • Maintain internal control over federal programs that provide assurance that the auditee is managing federal awards in compliance with applicable laws, regulations, and provisions of contracts or grant agreements that could have a material effect on each of its federal programs. • Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its federal programs. • Prepare appropriate financial statements, INCLUDING THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, in accordance with Section __.310. • Ensure that audits are performed in accordance with A-133 and are submitted when due. • Follow up and take corrective action on audit findings, INCLUDING THE PREPARATION OF A SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS in accordance with Section __.315(b). • Prepare the corrective action plan in accordance with Section __.315(c). • Procure audit services according to procurement standards prescribed by the Grants Management Common Rule as amended April 19, 1995, or FAR (48 C.F.R., part 42), as appropriate. • Submit data collection form and accompanying certification statement as required in Section __.320(b) • Submit reporting package to the Federal Audit Clearinghouse in accordance with Section __.320(c). • Keep one copy of the data collection form and one copy of the reporting package on file for three years from the date of submission to the Federal Audit Clearinghouse. 	<ul style="list-style-type: none"> • Conduct the audit in accordance with GAGAS and the requirements of the revised OMB Circular A-133. • Determine whether financial statements are presented fairly in all material respects in conformity with GAAP. • Determine whether the Schedule of Expenditures of Federal Awards is presented fairly in all material respects in relation to the financial statements taken as a whole. • Perform procedures to obtain an understanding of internal control over federal programs sufficient to plan the audit to support a LOW ASSESSED LEVEL OF CONTROL RISK FOR MAJOR PROGRAMS. • Plan the testing of internal control over major programs to support a low assessed level of control risk for assertions relevant to compliance for major programs. • Perform internal control testing as prescribed in Section __.500(c). • Determine whether the auditee has complied with laws, regulations, and the provisions of contracts or grant agreements that may have a direct and material effect on major programs (Section __.500(d)). • Use the types of compliance requirements contained in the OMB A-133 Compliance Supplement for compliance requirements related to federal programs. • Follow up on prior audit findings, perform procedures to assess the reasonableness of the summary schedule of prior audit findings, and report on any misrepresentation of the status of prior audit findings as described in Section __.500(e). • COMPLETE AND SIGN SPECIFIED SECTIONS OF THE DATA COLLECTION FORM in accordance with Section __.500(f). • Prepare required reports and schedules as described in Section __.505.

Fund Classifications

The descriptions presented below describe the fund types that are most commonly used by South Carolina Public School Districts.

1. **General Fund**
Accounts for all financial resources of the LEA except for those required to be accounted for in another fund.
2. **Special Revenue Fund**
Accounts for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.
3. **Special Revenue Fund
Education Improvement Act**
Accounts for the proceeds of the additional 1-percent sales and use tax that are restricted to expenditures for the Education Improvement Act strategies.
4. **Capital Projects Fund**
Accounts for financial resources used to acquire or construct major capital facilities (other than those of proprietary and trust funds). The most common sources of revenue in this fund would be the sale of bonds and State Building Fund Aid.
5. **Debt Service Fund**
Accounts for the accumulation of resources for and the payment of general long-term debt, principal, and interest.
6. **Proprietary Fund**
Accounts for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that the costs (expenses, depreciation, and indirect costs) of providing goods or services to the students or general public on a continuing basis are financed or recovered through user fees. **In most school districts, the school food service operations have been determined to be in this category.**
7. **Trust and Agency Fund**
Accounts for assets held by an LEA in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Agency funds could include Pupil Activity Funds.

Independent Auditor's Report

The primary objective of any examination of financial statements of a governmental entity by an independent auditor is the expression of an opinion. This is reinforced in GAO's *Government Auditing Standards*, which states that "financial audits are primarily concerned with providing reasonable assurance about whether financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles (GAAP), or with a comprehensive basis of accounting other than GAAP"

The financial report of an LEA includes a wide variety of detailed financial information in addition to the basic financial statements. The types of additional information included are supplemental financial statements, schedules, and other data. The auditor must determine how to report on the additional information based on the scope of the auditor's examination, on the nature of the additional information, and on whether the information is included in a client-prepared or audit-submitted document.

Examples of both unqualified and qualified opinions on basic financial statements are illustrated in the *Audits of State and Local Governments (GASB-34 Edition)*.

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**EXAMPLES OF
GOVERNMENTWIDE
FINANCIAL STATEMENTS**

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**ABC School District
Statement of Net Assets
June 30, 2006**

	Primary Government			Component
	Governmental	Business-type		
	Activities	Activities	Total	Units
ASSETS				
Cash and cash equivalents	\$	\$	\$	\$
Property taxes receivable (net)				
Due from other governmental units				
Other receivables				
Internal balances				
Inventories and prepaid expenses				
Capital assets:				
Land				
Buildings				
Equipment				
Less accumulated depreciation				
Total capital assets, net of depreciation				
Total Assets				
LIABILITIES				
Accounts payable and other current liabilities				
Deferred revenue				
Long-term liabilities:				
Due within one year:				
Bonds, capital leases, and contracts				
Accrued interest				
Special termination benefits and compensated absences				
Claims and judgments				
Due in more than one year:				
Bonds, capital leases, and contracts				
Accrued interest				
Special termination benefits and compensated absences				
Claims and judgments				
Total Liabilities				
NET ASSETS				
Invested in capital assets, net of related debt				
Restricted for:				
Capital projects				
Debt service				
Other purposes (specify)				
Unrestricted (deficit)				
Total Net Assets	\$	\$	\$	\$

**ABC School District
Statement of Activities
for the Year Ended June 30, 2006**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
Instruction	\$	\$	\$	\$	\$		\$	
Support services (includes food service if a special revenue fund)								
Community services								
Intergovernmental								
Interest and other charges								
Depreciation—unallocated*								
Total governmental activities								
Business-type activities:						\$		
Food service (if an enterprise fund)								
Total business-type activities								
Total primary government	\$	\$	\$	\$				
Component units:								
Charter school	\$	\$	\$	\$				\$
Alternative school								
Other (specify)								
Total component units								
General revenues:								
Property taxes levied for:								
General purposes								
Debt service								
State aid/grants (unrestricted)								
Unrestricted investment earnings								
Special item (specify)								
Extraordinary item (specify)								
Total general revenues, special items, and extraordinary items								
Change in net assets								
Net assets, beginning of year								
Net assets, end of year								

*This amount excludes the depreciation that is included in the direct expenses of the various programs.

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**EXAMPLES OF
FUND
FINANCIAL STATEMENTS**

DRAFT

**ABC School District
Balance Sheet
Governmental Funds
June 30, 2006**

	General	Special Revenue	EIA	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$	\$	\$	\$	\$
Property taxes receivable, net					
Accrued interest					
Due from other funds					
Other receivables					
Inventories—supplies and materials					
Other current assets (specify)					
Total assets	\$	\$	\$	\$	\$
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$	\$	\$	\$	\$
Due to other funds					
Due to other governmental units					
Due to student groups					
Deferred revenue					
Total liabilities					
Fund balances:					
Reserved for:					
Encumbrances					
Unreserved:					
Designated					
Undesignated					
Undesignated, reported in special revenue funds					
Total fund balances					
Total liabilities and fund balances	\$	\$	\$	\$	\$

Total fund balances

xx,xxx,xxx *

* This amount should agree with total fund balances of total governmental funds on line above.

Amounts reported for *governmental activities* in the statement of net assets are different because of the following:

Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. The cost of assets is \$x,xxx and the accumulated depreciation is \$x,xxx. x,xxx

Property taxes receivable are not available to pay for current-period expenditures and therefore are deferred in the funds. x,xxx

Internal service funds are used by the district to charge the costs of certain activities to individual funds. The assets and liabilities of certain internal service funds are included with governmental activities in the statement of net assets. x,xxx

Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (x,xxx)

Net assets of governmental activities

\$xxx,xxx **

** This amount should agree to the total amount

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**ABC School District
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
for the Year Ended June 30, 2006**

	General Fund	Special Revenue Fund	EIA Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Local property taxes	\$	\$	\$	\$	\$
Other local					
Total local					
State					
Federal					
Intergovernmental					
Total Revenues					
EXPENDITURES					
Current:					
Instruction					
Support services					
Community services					
Intergovernmental					
Debt service					
Principal					
Interest					
Capital outlay					
Total expenditures					
Excess (deficiency) of revenues over expenditures					
OTHER FINANCING SOURCES (USES)					
Sale of fixed assets					
Capital leases					
Proceeds from long-term notes					
Operating Transfers in					
Operating Transfers out					
Total other financing sources					
SPECIAL ITEM					
Specify					
Net change in fund balances					
Fund balances—July 1, 2005					
Fund balances—June 30, 2006	\$	\$	\$	\$	\$

**ABC School District
Reconciliation of Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
for the Year Ended June 30, 2006**

Total net change in fund balance—governmental funds (from Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds)	\$xx,xxx,xxx
--------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------

Amounts reported for governmental activities in the statement of activities are different because of the following:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (\$x,xxx,xxx) exceeds capital outlays (\$x,xxx,xxx) in the period.	(x,xxx,xxx)
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Some of the capital assets acquired this year were financed with capital leases. The amount financed by the leases is reported in the governmental funds as a source of financing. On the other hand, the capital leases are not revenues in the statement of activities but rather constitute long-term liabilities in the statement of net assets.	(xxx,xxx)
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	xx,xxx,xxx
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Because some property taxes will not be collected for several months after the district's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues increased by this amount this year.	xxx,xxx
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------

In the statement of activities, only the <i>gain</i> on the sale of the unimproved land is reported, whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balances by the <i>cost</i> of the land sold.	(xxx,xxx)
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------

In the statement of activities, certain operating expenses—compensated absences (sick pay and vacations) and special termination benefits (early retirement)—are measured by the amounts <i>earned</i> during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually <i>paid</i>). This year, vacation and sick leave earned (\$xxx,xxx) exceeded the amounts used (\$xxx,xxx) by \$xx,xxx. Special termination benefits paid (\$xx,xxx,xxx) exceeded the amounts earned (\$x,xxx,xxx) by \$x,xxx,xxx.	x,xxx,xxx
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Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the statement of activities is the net result of two factors. First, accrued interest on bonds, leases, and contracts payable <i>decreased</i> by \$xx,xxx, and second, \$x,xxx,xxx of additional accumulated interest was accreted on the district's "capital appreciation" bonds.	(x,xxx,xxx)
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An internal service fund is used by the district's management to charge the costs of workers' compensation and unemployment claims to the individual funds. The net revenue of the internal service fund is reported with governmental activities.	<u>x,xxx,xxx</u>
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Change in net assets of governmental activities (from Statement of Activities)	<u>\$xx,xxx,xxx</u>
---------------------------------------------------------------------------------------	----------------------------

**ABC School District
Statement of Net Assets
Proprietary Funds
June 30, 2006**

	Enterprise Fund— Food Services	Internal Service Funds (if applicable)
ASSETS		
Current assets:		
Cash and cash equivalents	\$	\$
Due from other governmental units		
Due from other funds		
Other receivables		
Inventories—supplies and materials		
Total current assets		
Noncurrent assets:		
Equipment		
Less accumulated depreciation		
Total noncurrent assets		
Total assets		
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities		
Claims payable		
Due to other funds		
Deferred revenue		
Total current liabilities		
Long-term liabilities:		
Claims payable		
Total liabilities		
NET ASSETS		
Invested in capital assets		
Unrestricted		
Total net assets	\$	\$

Note: A reconciliation may be required depending on balance in business activities column on the Statement of Activities

ABC School District
Statement of Revenues, Expenses, and
Changes in Fund Net Assets
Proprietary Funds
for the Year Ended June 30, 2006

	Enterprise Fund— Food Services	Internal Service Funds (if applicable)
OPERATING REVENUES		
Proceeds from sale of meals	\$	\$
Charges to other funds		
Total operating revenues		
OPERATING EXPENSES		
Food costs		
Salaries and wages		
Utilities		
Supplies and materials		
Depreciation		
Other operating costs		
Total operating expenses		
Operating income (loss)	(xx,xxx,xxx)	
NONOPERATING REVENUES (EXPENSES)		
Interest income		
USDA reimbursements		
Commodities received from USDA		
Other federal and state aid		
Total nonoperating revenue (expenses)		
Income (loss) before operating transfers		
Transfers in (out)		
Change in net assets		
Total net assets—July 1, 2005		
Total net assets—June 30, 2006	\$	\$

Note: A reconciliation may be required depending on balance in business activities column on the Statement of Activities

**ABC School District
Statement of Cash Flows
Proprietary Funds
for the Year Ended June 30, 2006**

	Enterprise Fund— Food Services	Internal Service Funds (if applicable)
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from patrons	\$	\$
Received from assessments made to other funds		
Payments to employees for services		
Payments for workers' compensation and unemployment claims		
Payments to suppliers for goods and services		
Net cash received from (used by) operating activities		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Nonoperating grants received		
Net cash received from (used for) noncapital financing activities		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets		
Net cash received from (used for) capital and related financing activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments		
Net cash received from (used by) investing activities		
Net increase (decrease) in cash and cash equivalents		
Cash and cash equivalents—July 1, 2005		
Cash and cash equivalents—June 30, 2006	\$	\$
Reconciliation of operating income (loss) to net cash received from (used by) operating activities:		
Operating income (loss) (from Statement of Rev, Exp, and Changes in Fund Net Assets-Proprietary Funds)	\$	\$
Adjustments to reconcile operating income (loss) to net cash received from (used by) operating activities:		
Depreciation		
Commodities used		
Changes in assets and liabilities:		
Receivables		
Inventories		
Accrued liabilities		
Deferred revenue		
Net cash received from (used by) operating activities	\$	\$

Noncash transactions:

During the year the district received \$x,xxx,xxx of food commodities from the U.S. Department of Agriculture.

DRAFT

**ABC School District
Statement of Fiduciary Net Assets
June 30, 2006**

	Private-Purpose Trusts	Agency Funds
ASSETS		
Cash and cash equivalents	\$	\$
Due to other governmental units		
Accrued interest		
Due from other funds		
Total assets		\$
LIABILITIES		
Accounts payable		\$
Due to student groups		
Due to grantor agencies		
Total liabilities		\$
NET ASSETS		
Reserved for scholarships		
Unreserved		
Total net assets	\$	

* * *

**ABC School District
Statement of Changes in Fiduciary Net Assets
for the Year Ended June 30, 2006**

	Private-Purpose Trusts
ADDITIONS	
Gifts and contributions	\$
DEDUCTIONS	
Scholarships awarded	
Change in net assets	
Net assets—July 1, 2005	
Net assets—June 30, 2006	\$

ABC School District
Budgetary Comparison Schedule
General Fund
for the Year Ended June 30, 2006

The variance column is optional.

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget—
				Positive
				(Negative)
REVENUES				
Local	\$	\$	\$	\$
State				
Federal				
Intergovernmental				
Total revenues				
EXPENDITURES				
Current:				
Instruction				
Support services				
Community services				
Intergovernmental				
Debt service				
Capital outlay				
Total expenditures				
Excess (deficiency) of revenues				
over expenditures				
SPECIAL ITEM				
Specify				
Net change in fund balances				
Fund balance—July 1, 2005				
Fund balance—June 30, 2006	\$	\$	\$	\$

SDE Supplemental Schedules

**(Separate schedules also
required for each
component unit)**

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
1000 Revenue from Local Sources			
1100 Taxes:			
1110 Ad Valorem Taxes-Including Delinquent (Independent)			
1140 Penalties & Interest on Taxes (Independent)			
1190 Other Taxes (Independent)			
1200 Revenue From Local Governmental Units Other Than LEAs			
1210 Ad Valorem Taxes-Including Delinquent (Dependent)			
1240 Penalties & Interest on Taxes (Dependent)			
1280 Revenue in Lieu of Taxes (Independent and Dependent)			
1290 Other Taxes (Dependent)			
1300 Tuition:			
1310 From Patrons for Regular Day School			
1320 From Other LEAs for Regular Day School			
1330 From Patrons for Adult/Continuing Ed			
1340 From Other LEAs for Adult/Continuing Ed			
1350 From Patrons for Summer School			
1360 From Other LEAs for Summer School			
1400 Transportation Fees:			
1410 From Patrons for Regular Day School			
1415 From Other LEAs for Regular Day School			
1420 From Patrons for Summer School			
1425 From Other LEAs for Summer School			
1500 Earnings on Investments:			
1510 Interest on Investments			
1530 Gain or Loss on Sale of Investments			
1700 Pupil Activities:			
1740 Student Fees			
1900 Other Revenue from Local Sources:			
1910 Rentals			
1920 Contributions & Donations Private Sources			
1930 Medicaid			
1931 Therapy Adjustment - Medicaid			
1950 Refund of Prior Year's Expenditures (Include only if expenditure occurred last year and the refund this year.)			
1990 Miscellaneous Local Revenue			
1993 Receipt of Insurance Proceeds			
1994 Receipt of Legal Settlements			
1999 Revenue from Other Local Sources			

ANYWHERE SCHOOL DISTRICT
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GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Total Local Sources			
2000 Intergovernmental Revenue			
2100 Payments from Other Governmental Units			
2200 Payments from Public Charter School			
2310 Payments from Nonprofit Entities (other than for First Steps)			
Total Intergovernmental Revenues			
3000 Revenue from State Sources			
3100 Restricted State Funding:			
3130 Special Programs:			
3131 Handicapped Transportation			
3132 Home Schooling (No Carryover Provision)			
3133 Hold Harmless			
3160 School Bus Driver's Salary			
3162 Transportation Workers' Compensation			
3180 Fringe Benefits Employer Contributions (No Carryover Provision)			
3181 Retiree Insurance (No Carryover Provision)			
3199 Other Restricted State Grants			
3200 Unrestricted Grants:			
3230 Reimbursements for District Services			
3299 Other Unrestricted State Grants			
3300 Education Finance Act:			
3310 Full-Time Programs:			
3311 Kindergarten			
3312 Primary			
3313 Elementary			
3314 High School			
3315 Trainable Mentally Handicapped			
3316 Speech Handicapped (Part-Time Program)			
3317 Homebound			
3319 EFA Underpayment			
3320 Part-Time Programs:			
3321 Emotionally Handicapped			
3322 Educable Mentally Handicapped			
3323 Learning Disabilities			
3324 Hearing Handicapped			
3325 Visually Handicapped			
3326 Orthopedically Handicapped			
3327 Vocational			
3330 Other EFA Programs:			
3331 Autism			
3399 Other EFA Programs			

**ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief			
3820 Homestead Exemption			
3830 Merchant's Inventory Tax			
3840 Manufacturers Depreciation Reimbursement			
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)			
3900 Other State Revenue:			
3991 ADEPT (Assisting, Developing, and Evaluating Professional Teaching (Carry-over Provision)			
3992 State Forest Commission Revenues			
3999 Revenue From Other State Sources			
Total State Sources			
4000 Revenue from Federal Sources			
4100 Federally Impacted Areas:			
4110 Maintenance & Operations (P. L. 874)			
4900 Other Federal Sources:			
4992 U. S. Forest Commission Revenues			
4999 Revenue from Other Federal Sources			
Total Federal Sources			
TOTAL REVENUE ALL SOURCES			
EXPENDITURES			
100 INSTRUCTION			
110 General Instruction			
111 Kindergarten Programs:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
112 Primary Programs:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			

**ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
113 Elementary Programs:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
114 High School Programs:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other objects			
115 Vocational Programs:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services - Other Than Tuition			
370 Purchased Ser.-Tuition			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
117 Driver Education Program:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other objects			
120 Exceptional Programs			
121 Educable Mentally Handicapped:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other objects			
122 Trainable Mentally Handicapped:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
123 Orthopedically Handicapped:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
124 Visually Handicapped:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			

**ANYWHERE SCHOOL DISTRICT
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GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
125 Hearing Handicapped:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
126 Speech Handicapped:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
127 Learning Disabilities:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
128 Emotionally Handicapped:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
130 Pre-School Programs			
131 Pre-School Handicapped-Speech (5 year olds):			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
132 Pre-School Handicapped-Itinerant (5 year olds):			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
133 Pre-School Handicapped-Self-Contained (5 year olds):			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
134 Pre-School Handicapped-Homebased (5 years olds):			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			

ANYWHERE SCHOOL DISTRICT
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GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
135 Pre-School Handicapped-Speech (3 & 4 year olds):			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
136 Pre-School Handicapped-Itinerant (3 & 4 year olds):			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
137 Pre-School Handicapped-Self-Contained (3 & 4 year olds):			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
138 Pre-School Handicapped-Homebased (3 & 4 year olds):			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
139 Early Childhood Programs:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
140 Special Programs			
141 Gifted and Talented - Academic:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
142 Disadvantaged:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
143 Advanced Placement:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			

**ANYWHERE SCHOOL DISTRICT
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GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
145 Homebound:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
148 Gifted and Talented - Artistic:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
149 Other Special Programs:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
160 Other Exceptional Programs			
161 Autism:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
170 Summer School Program			
171 Primary Summer School:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
172 Elementary Summer School:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
173 High School Summer School:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
174 Gifted and Talented Summer School:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			

**ANYWHERE SCHOOL DISTRICT
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GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
175 Instructional Programs Beyond Regular School Day:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
180 Adult/Continuing Educational Programs			
181 Adult Basic Education Programs:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
182 Adult Secondary Education Programs:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
183 Adult English Literacy (ESL):			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
184 Post Secondary Education Programs:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
185 Vocational Adult Education Programs:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
187 Adult Education - Remedial:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
188 Parenting/Family Literacy:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			

**ANYWHERE SCHOOL DISTRICT
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GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
190 Instructional Pupil Activity:			
100 Salaries (optional)			
200 Employee Benefits (optional)			
300 Purchased Services (optional)			
400 Supplies and Materials (optional)			
500 Capital Outlay (optional)			
660 Pupil Activity			
TOTAL INSTRUCTION			
200 SUPPORT SERVICES			
210 Pupil Services			
211 Attendance and Social Work Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
212 Guidance Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
213 Health Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
214 Psychological Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
215 Exceptional Program Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
216 Vocational Placement Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
220 Instructional Staff Services			
221 Improvement of Instruction-Curriculum Development:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
222 Library and Media Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
223 Supervision of Special Programs:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
224 Improvement of Instruction-Inservice and Staff Training:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
230 General Administration Services			
231 Board of Education:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
318 AUDIT SERVICES (This account code must be reported separately here.)			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
232 Office of the Superintendent:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
233 School Administration:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			

**ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
250 Finance and Operations Services			
251 Student Transportation (Federal/District Mandated)			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
252 Fiscal Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
253 Facilities Acquisition and Construction:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
510 Land			
520 Construction Services			
525 Buildings			
530 Improvements Other Than Buildings			
540 Equipment			
550 Vehicles			
570 Depreciation			
545 Technology, Equipment and Software			
560 Library Books			
580 Mobile Classrooms			
590 Other Capital Outlay			
254 Operation and Maintenance of Plant:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
321 Public Utilities (Excludes gas, oil, elec. & other heating fuels)			
400 Supplies and Materials			
470 Energy (Include gas, oil, elec. & other heating fuels)			
500 Capital Outlay			
600 Other Objects			
255 Student Transportation (State Mandated):			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
256 Food Service:			
200 Employee Benefits			
257 Internal Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
258 Security:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			

**ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
259 Internal Auditing Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
260 Central Support Services			
262 Planning, Research, Development & Evaluation:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
263 Information Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
264 Staff Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
266 Technology and Data Processing Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
270 Support Services Pupil Activity			
271 Pupil Services Activities:			
100 Salaries (optional)			
200 Employee Benefits (optional)			
300 Purchased Services (optional)			
400 Supplies and Materials (optional)			
500 Capital Outlay (optional)			
600 Other Objects (optional)			
660 Pupil Activity			
TOTAL SUPPORT SERVICES			
300 COMMUNITY SERVICES			
320 Community Recreation Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
330 Civic Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			

**ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
340 Public Library Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
350 Custody and Care of Children Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
360 Welfare Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
370 Non-Public School Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
390 Other Community Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
600 Other Objects			
TOTAL COMMUNITY SERVICES			
400 Other Charges:			
410 Intergovernmental Expenditures			
411 Payments to the State Department of Education			
720 Transits			
412 Payments to Other Governmental Units			
720 Transits			
413 Payments to Non-Public School			
720 Transits			
414 Medicaid Payments to SDE			
720 Transits			
415 Payments to Nonprofit Entities (for First Steps)			
720 Transits			
416 Payments to Public Charter Schools			
720 Transits			
417 Payments to Nonprofit Entities (other than for First Steps)			
720 Transits			
Total Intergovernmental Expenditures			
500 DEBT SERVICE:			
319 Legal Services			
350 Advertising			
620 Interest			
TOTAL DEBT SERVICE			
TOTAL EXPENDITURES			

ANYWHERE SCHOOL DISTRICT
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GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
OTHER FINANCING SOURCES (USES)			
5300 Sale of Fixed Assets			
5400 Proceeds from Long-Term Notes			
5500 Capital Lease			
5600 Lease Purchase			
5999 Other Financing Sources			
Interfund Transfers, From (To) Other Funds:			
5220 Transfer from Special Revenue Fund (Excludes Indirect Cost)			
5230 Transfer from Special Revenue EIA Fund			
5240 Transfer from Debt Service Fund			
5250 Transfer from School Building Fund			
5260 Transfer from Food Service Fund (Excludes Indirect Cost)			
5270 Transfer from Pupil Activity Fund			
5280 Transfer from Other Funds Indirect Costs			
421-710 Transfer to Special Revenue Fund			
422-710 Transfer to Special Revenue EIA Fund			
423-710 Transfer to Debt Service Fund			
424-710 Transfer to School Building Fund			
425-710 Transfer to Food Service Fund			
426-710 Transfer to Pupil Activity Fund			
TOTAL OTHER FINANCING SOURCES (USES)			
Excess/Deficiency of Revenues over Expenditures			
FUND BALANCE JULY 1, 20XX			
FUND BALANCE JUNE 30, 20XX			

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	OCCUPATIONAL EDUCATION (VA Projects) (207/208)
REVENUES				
1000 Revenue from Local Sources				
1300 Tuition:				
1320 From Other LEAs for Regular Day School				
1330 From Patrons for Adult/Continuing Education				
1500 Earnings On Investments:				
1510 Interest on Investments				
1530 Gain or Loss on Sale of Investments				
1900 Other Revenue From Local Sources:				
1910 Rentals				
1920 Contributions and Donations Private Sources				
1930 Medicaid				
1931 Therapy Adjustment - Medicaid				
1950 Refund of Prior Year's Expenditures				
(Include only if expenditure occurred last				
year and the refund this year.)				
1990 Miscellaneous Local Revenue				
1992 Canteen Operations				
1993 Receipt of Insurance Proceeds				
1994 Receipt of Legal Settlements				
1999 Revenue from Other Local Sources				
Total Local Sources				
2000 Intergovernmental Revenue				
2100 Payments from Other Governmental Units				
2200 Payments from Public Charter School				
2300 Payments from Non-Profit Entities (for First Steps)				
Total Intergovernmental Revenue				
3000 Revenue from State Sources				
3100 Restricted State Funding:				
3110 Occupational Education:				
3112 Nursing Program				
3113 12-Months (Ag.) Program				
3120 General Education:				
3124 Career and Technology Education (CTE) Technology Initiative				
(Carryover from 2004-05 only)				
3125 Career and Technology Education Equipment				
3126 Refurbishment of K-8 Science Kits (No Carryover Provision)				
3130 Special Programs:				
3150 Adult Education:				
3151 Basic				
3161 EAA Bus Driver Salary and Fringe				

DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION* (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS* (900s)	OTHER SPECIAL REVENUE PROGRAMS* (200s/800s)	TOTAL
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**ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX**

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	OCCUPATIONAL EDUCATION (VA Projects) (207/208)
3190 Miscellaneous Restricted State Grants:				
3192 School Safety Officers (Carryover from 2004–05 only)				
3193 Education License Plates				
3198 School Technology Initiative (Carryover from 2004–05 only)				
3199 Other Restricted State Grants				
3600 Education Lottery Act Revenue:				
3603 EAA Afterschool/Homework Center Awards (Below Average Schools) (Carryover from 2004–05 only)				
3604 EAA Retraining Funds (Carryover from 2004–05 only)				
3605 EAA Palmetto Gold and Silver Awards (Carryover from 2004–05 only)				
3606 K–5 Mathematics and Science Coaching Unit				
3607 6–8 Enhancement				
3610 K–5 Enhancement				
3680 First Steps FAMILY LITERACY Program (Carryover from 2004–05 only)				
3699 Other State Lottery Programs				
3900 Other State Revenue:				
3991 ADEPT (Assisting, Developing, and Evaluating Professional Teaching)				
3999 Revenue from Other State Sources				
Total State Sources				
4000 Revenue from Federal Sources				
4100 Federally Impacted Areas:				
4110 Maintenance & Operations P. L. 81-874				
4120 Construction P. L. 81-815				
4130 Low Rent Housing P. L. 81-874				
4140 Handicapped P. L. 81-874				
4160 Maintenance & Operations - Disaster Aid P.L. 81-874				
4200 Occupational Education:				
4210 Vocational Aid, Title I				
4220 Tech Prep Education, Title II				
4300 Elementary and Secondary Education Act of 1965 (ESEA):				
4310 Title I, Basic State Grant Programs (Carryover Provision)				
4312 Rural and Low-Income School Program, Title VI (Carryover Provision)				
4318 SC Reading First				
4320 Public Charter School Grants (Carry-over Provision)				
4325 Mathematics and Science Partnerships Program, Title II (Carryover Provision)				
4331 Enhancing Education Through Technology (E2T2), Title II (Carryover Provision)				
4340 Promoting Informed Parental Choice and Innovative Education Program Strategies, Title V (Carryover Provision)				
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III (Carryover Provision)				
4351 Improving Teacher Quality (Carryover Provision)				
4360 Even Start - Family Literacy				
4370 Comprehensive School Reform Demonstration Grant				
4390 Other ESEA Revenue				

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DRUG FREE (FP/FQ Projects) <u>(209/210)</u>	ADULT EDUCATION* <u>(EA Projects)</u>	OTHER DESIGNATED RESTRICTED STATE GRANTS* <u>(900s)</u>	OTHER SPECIAL REVENUE PROGRAMS* <u>(200s/800s)</u>	<u>TOTAL</u>
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ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	OCCUPATIONAL EDUCATION (VA Projects) (207/208)
4400 Adult Education:				
4410 Basic Adult Education				
4430 State Literacy Resource				
4490 Other Adult Education				
4500 Programs for Children with Disabilities				
4510 Individuals With Disabilities Education Act (IDEA) (Carry-over Provision)				
4520 Pre-School Grants (Carry-over Provision)				
4530 Deaf Blindness				
4900 Other Federal Sources:				
4920 Drug and Violence Prevention, Title IV				
4924 21st Century Community Learning Centers Grants, Title IV				
4990 Other Federal Revenue				
4992 U. S. Forest Commission				
4993 FEMA Disaster Assistance				
4994 Temporary Emergency Impaid Aid for Displaced Students				
4995 CDC State and Local Coordinated School Health Programs				
4996 Learn and Serve America				
4999 Revenue from Other Federal Sources				
Total Federal Sources				
TOTAL REVENUE ALL SOURCES				
EXPENDITURES				
100 INSTRUCTION				
110 General Instruction				
111 Kindergarten Programs:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
112 Primary Programs:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				

DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION* (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS* (900s)	OTHER SPECIAL REVENUE PROGRAMS* (200s/800s)	<u>TOTAL</u>
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ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	OCCUPATIONAL EDUCATION (VA Projects) (207/208)
113 Elementary Programs:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
114 High School Programs:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
115 Vocational Programs:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services - Other Than Tuition				
370 Purchased Services - Tuition				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
117 Driver Education Program:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
120 Exceptional Programs				
121 Educable Mentally Handicapped:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
122 Trainable Mentally Handicapped:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
123 Orthopedically Handicapped:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
124 Visually Handicapped:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				

DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION* (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS* (900s)	OTHER SPECIAL REVENUE PROGRAMS* (200s/800s)	<u>TOTAL</u>
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ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX

	TITLE I (BA Projects) <u>(201/202)</u>	IDEA (CA Projects) <u>(203/204)</u>	PRESCHOOL HANDICAPPED (CG Projects) <u>(205/206)</u>	OCCUPATIONAL EDUCATION (VA Projects) <u>(207/208)</u>
125 Hearing Handicapped:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
126 Speech Handicapped:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
127 Learning Disabilities:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
128 Emotionally Handicapped:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
130 Pre-School Programs				
131 Preschool Handicapped Speech (5-Yr. Olds):				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
132 Preschool Handicapped Itinerant (5 Yr. Olds):				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
133 Preschool Handicapped Self-Contained (5-Yr. Olds):				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
134 Preschool Handicapped Homebased (5 Yr. Olds):				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				

DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION* (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS* (900s)	OTHER SPECIAL REVENUE PROGRAMS* (200s/800s)	<u>TOTAL</u>
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**ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX**

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	OCCUPATIONAL EDUCATION (VA Projects) (207/208)
135 Preschool Handicapped Speech (3&4-Yr. Olds):				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
136 Preschool Handicapped Itinerant (3&4-Yr. Olds):				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
137 Preschool Handicapped Self-Contained (3&4 Yr. Olds):				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
138 Preschool Handicapped Homebased (3&4-Yr. Olds):				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
139 Early Childhood Programs:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
140 Special Programs				
141 Gifted and Talented - Academic:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
142 Disadvantaged:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
143 Advanced Placement:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				

DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION* (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS* (900s)	OTHER SPECIAL REVENUE PROGRAMS* (200s/800s)	TOTAL
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ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	OCCUPATIONAL EDUCATION (VA Projects) (207/208)
145 Homebound:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
148 Gifted and Talented - Artistic:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
149 Other Special Programs:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
160 Other Exceptional Programs				
161 Autism:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
170 Summer School Programs				
171 Primary Summer School:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
172 Elementary Summer School:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
173 High School Summer School:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
174 Gifted and Talented Summer School:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				

DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION* (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS* (900s)	OTHER SPECIAL REVENUE PROGRAMS* (200s/800s)	<u>TOTAL</u>
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ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	OCCUPATIONAL EDUCATION (VA Projects) (207/208)
175 Instructional Programs Beyond Regular School Day:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
180 Adult/Continuing Educational Programs				
181 Adult Basic Education Programs:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
182 Adult Secondary Education Programs:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
183 Adult English Literacy (ESL):				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
184 Post Secondary Education Programs:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
185 Vocational Adult Education Programs:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
187 Adult Education - Remedial:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
188 Parenting/Family Literacy:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
TOTAL INSTRUCTION				

DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION* (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS* (900s)	OTHER SPECIAL REVENUE PROGRAMS* (200s/800s)	<u>TOTAL</u>
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ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	OCCUPATIONAL EDUCATION (VA Projects) (207/208)
200 SUPPORT SERVICES				
210 Pupil Services				
211 Attendance and Social Work Services:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
212 Guidance Services:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
213 Health Services:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
214 Psychological Services:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
215 Exceptional Program Services:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
216 Vocational Placement Services:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
220 Instructional Staff Services				
221 Improvement of Instruction - Curriculum Development:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				

DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION* (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS* (900s)	OTHER SPECIAL REVENUE PROGRAMS* (200s/800s)	<u>TOTAL</u>
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**ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX**

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	OCCUPATIONAL EDUCATION (VA Projects) (207/208)
222 Library and Media:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
223 Supervision of Special Programs:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
224 Improvement of Instruction-Inservice and Staff Training:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
230 General Administration Services				
231 Board of Education:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
232 Office of the Superintendent:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
233 School Administration:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
250 Finance and Operations Services				
251 Student Transportation (Federal/District Mandated):				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
252 Fiscal Services:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				

DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION* (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS* (900s)	OTHER SPECIAL REVENUE PROGRAMS* (200s/800s)	<u>TOTAL</u>
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ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	OCCUPATIONAL EDUCATION (VA Projects) (207/208)
253 Facilities Acquisition and Construction:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
510 Land				
520 Construction Services				
525 Buildings				
530 Improvements Other Than Buildings				
540 Equipment				
550 Vehicles				
570 Depreciation				
545 Technology, Equipment and Software				
560 Library Books				
580 Mobile Classrooms				
590 Other Capital Outlay				
600 Other Objects				
254 Operation and Maintenance of Plant:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
321 Public Utilities (Exclude gas, oil, elec. & other heating fuels)				
400 Supplies and Materials				
470 Energy (Include gas, oil, electric & other heating fuels)				
500 Capital Outlay				
600 Other Objects				
255 Student Transportation (State Mandated):				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
256 Food Service:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services (Exclude Energy)				
400 Supplies and Materials (Include Energy)				
500 Capital Outlay				
600 Other Objects				
257 Internal Services:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
258 Security:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				

DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION* (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS* (900s)	OTHER SPECIAL REVENUE PROGRAMS* (200s/800s)	<u>TOTAL</u>
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ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	OCCUPATIONAL EDUCATION (VA Projects) (207/208)
259 Internal Auditing Services:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
260 Central Support Services				
262 Planning:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
263 Information Services:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
264 Staff Services:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
266 Technology and Data Processing Services:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
270 Support Services - Pupil Activity				
271 Pupil Service Activities:				
100 Salaries (optional)				
200 Employee Benefits (optional)				
300 Purchased Services (optional)				
400 Supplies and Materials (optional)				
500 Capital Outlay (optional)				
600 Other Objects (optional)				
660 Pupil Activity				
TOTAL SUPPORT SERVICES				
300 COMMUNITY SERVICES				
320 Community Recreation Services:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				

DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION* (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS* (900s)	OTHER SPECIAL REVENUE PROGRAMS* (200s/800s)	<u>TOTAL</u>
-----------------------------------------------	--------------------------------------	-----------------------------------------------------------------	---------------------------------------------------------	--------------

*Include in a note to this schedule a listing of LEA subfund codes and titles for each program included in funds reported here.

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	OCCUPATIONAL EDUCATION (VA Projects) (207/208)
330 Civic Services:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
340 Public Library Services:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
350 Custody and Care of Children:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
360 Welfare Services:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
370 Non-Public School Services:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
390 Other Community Services:				
100 Salaries				
200 Employee Benefits				
300 Purchased Services				
400 Supplies and Materials				
500 Capital Outlay				
600 Other Objects				
TOTAL COMMUNITY SERVICES				
410 INTERGOVERNMENTAL EXPENDITURES				
411 Payments to State Department of Education				
720 Transits				
412 Payments to Other Governmental Units				
720 Transits				
413 Payments to Non-Public Schools				
720 Transits				
414 Medicaid Payments to SDE				
720 Transits				
415 Payments to Nonprofit Entities (for First Steps)				
720 Transits				
416 Payments to Public Charter Schools				
720 Transits				
417 Payments to Nonprofit Entities (other than for First Steps)				
720 Transits				
TOTAL INTERGOVERNMENTAL EXPENDITURES				
TOTAL EXPENDITURES				

DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION* (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS* (900s)	OTHER SPECIAL REVENUE PROGRAMS* (200s/800s)	<u>TOTAL</u>
-----------------------------------------------	--------------------------------------	-----------------------------------------------------------------	---------------------------------------------------------	--------------

*Include in a note to this schedule a listing of LEA subfund codes and titles for each program included in funds reported here.

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	OCCUPATIONAL EDUCATION (VA Projects) (207/208)
OTHER FINANCING SOURCES (USES)				
5300	Sale of Fixed Assets			
5999	Other Financing Sources			
Interfund Transfers, From (To) Other Funds:				
5210	Transfer from General Fund (Exclude Indirect Costs)			
5220	Transfer from Special Revenue Fund (Exclude Indirect Costs)			
5230	Transfer from Special Revenue EIA Fund			
5240	Transfer from Debt Service Fund			
5250	Transfer from School Building Fund			
5260	Transfer from Food Service Fund (Exclude Indirect Costs)			
5270	Transfer from Pupil Activity Fund			
420-710	Transfer to General Fund (Exclude Indirect Costs)			
421-710	Transfer to Special Revenue Fund			
422-710	Transfer to Special Revenue EIA Fund			
423-710	Transfer to Debt Service Fund			
424-710	Transfer to School Building Fund			
425-710	Transfer to Food Service Fund			
426-710	Transfer to Pupil Activity Fund			
431-791	Special Revenue Fund Indirect Costs (Use only for transfer of indirect costs to General Fund.)			
TOTAL OTHER FINANCING SOURCES (USES)				
Excess/Deficiency of Revenues over Expenditures				
Fund Balance July 1, 20XX				
Fund Balance June 30, 20XX				

DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION* (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS* (900s)	OTHER SPECIAL REVENUE PROGRAMS* (200s/800s)	<u>TOTAL</u>
-----------------------------------------------	--------------------------------------	-----------------------------------------------------------------	---------------------------------------------------------	--------------

*Include in a note to this schedule a listing of LEA subfund codes and titles for each program included in funds reported here.

**ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SPECIAL REVENUE FUND
SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS
FOR FISCAL YEAR ENDED JUNE 30, 20XX**

<u>SUBFUND</u>	<u>REVENUE</u>	<u>PROGRAMS</u>	<u>REVENUES</u>	<u>EXPENDITURES</u>	<u>Special Revenue Interfund Transfers In/(Out)</u>	<u>Special Revenue Other Fund Transfers In/(Out)</u>	<u>Special Revenue Fund Deferred</u>
904	3124	Career and Technology Education (CTE) Technology Initiative (Carryover from 2004–05 only)					
905	3125	Career and Technology Education Equipment					
908	3126	Refurbishment of K–8 Science Kits (No Carryover Provision)					
911	3198	School Technology Initiative (Carryover from 2004–05 only)					
915	3112	Nursing Program					
916	3991	ADEPT (Assisting, Developing & Evaluating Professional Teaching)					
919	3193	Education License Plates					
921	3151	Adult Education Basic (Includes Workforce Initiative)					
922	3199	Temporary Assistance to Needy Families (TANF) - State					
933	3192	School Safety Officers (Carryover from 2004–05 only)					
960	3610	K–5 Enhancement					
963	3603	EAA Afterschool/Homework Center Awards (Below Average Schools) (Carryover from 2004–05 only)					
964	3604	EAA Retraining Funds (Carryover from 2004–05 only)					
965	3605	EAA Palmetto Gold and Silver Awards					
966	3606	K–5 Mathematics and Science Unit Coaching Initiative					
967	3607	6–8 Enhancement					
980	3680	First Steps FAMILY LITERACY Program (Carryover from 2004–05 only)					

**ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-ALL PROGRAMS
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX**

ACTUAL

REVENUES**1000 Revenue from Local Sources**

- 1300 Tuition:
 1320 From Other LEAs for Regular Day School
 1330 From Patrons for Adult/Continuing Ed
- 1500 Earnings on Investments:
 1510 Interest on Investments
 1530 Gain or Loss on Sale of Investments
- 1900 Other Revenue from Local Sources:
 1950 Refund of Prior Year's Expenditures (Include only if
 expenditure occurred last year and the refund this year.)
- 1990 Miscellaneous Local Revenue:
 1993 Receipt of Insurance Proceeds
 1994 Receipt of Legal Settlements
 1999 Revenue from Other Local Sources

Total Local Sources**2000 Intergovernmental Revenue**

- 2100 Payments from Other Governmental Units
2200 Payments from Public Charter School

Total Intergovernmental Revenue**3000 Revenue from State Sources**

- 3100 Restricted State Funding:
 3161 EAA Bus Driver Salary and Fringe
- 3500 Education Improvement Act:
 3501 Increase High School Diploma Requirements
 3505 School Technology Initiative
 3507 School Innovation Funds (Carryover from 2004–05 only)
 3509 Arts in Education
 3513 Parenting/Family Literacy
 3515 Advanced Placement Courses
 3517 Advanced Placement -Singleton (Subfund 315)
 3520 Gifted and Talented - Academic
 3522 Gifted and Talented - Artistic
 3523 Junior Scholars Program
 3525 Career and Technology Education Equipment
 3526 EAA Teacher Specialist (No Carryover Provision)
 3527 Critical Teaching Needs
 3528 EAA Principal Specialist (No Carryover Provision)
 3529 EAA Retraining Funds
 3530 Trainable & Profoundly Mentally Disabled Student Services
 3532 National Board Certification (NBC) Salary Supplement (No Carryover Provision)
 3533 Teacher of the Year Awards
 3534 Professional Development on Standards
 3535 Institute of Reading (South Carolina Reading Initiative—Middle Grades)
 3536 EAA Curriculum Specialist / District Instruction Facilitator (No Carryover Provision)
 3538 EAA Principal Leader (No Carryover Provision)
 3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children)
 3542 Preschool Programs for Children with Disabilities
 3546 Academic Assistance K–3
 3548 Academic Assistance 4–12
 3549 Academic Assistance Reading Recovery
 3550 Teacher Salary Increase (No Carryover Provision)
 3553 Adult Education - Remedial
 3555 School Employer Contributions (No Carryover Provision)
 3561 Mathematics and Science Centers
 3562 Adult Education Basic (Include Rural and Workforce Initiatives)
 3564 Adult Education, Young Adult Initiative
 3565 Adult Education, Literacy
 3570 Intervention and Assistance

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-ALL
PROGRAMS
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX

ACTUAL

3575 Competitive Teacher Grants
 3577 Teacher Supplies (No Carryover Provision)
 3578 High Schools That Work
 3582 Principal Salary/Fringe Increase (No Carryover Provision)
 3583 EAA Summer School / Comprehensive Remediation
 3588 EAA Palmetto Gold and Silver Awards
 3590 Reallocation of EIA Funds (School Building)
 3591 Excellence in Middle Schools
 3592 School-To-Work Transition Act
 3593 EAA Reduce Class Size Grades 1 – 3
 3595 EAA Homework Center Awards
 (Unsatisfactory and Below Average Schools)
 3596 EAA Alternative Schools Program
 3598 Bus Driver Salary Supplement (No Carryover Provision)
 3599 Other EIA

3900 Other State

Revenue:

3999 Revenue From Other State

Sources

Total State Sources**TOTAL REVENUE ALL SOURCES****EXPENDITURES****100 INSTRUCTION**

110 General Instruction

111 Kindergarten Programs:

100 Salaries
 200 Employee Benefits
 300 Purchased Services
 400 Supplies and Materials
 500 Capital Outlay
 600 Other Objects

112 Primary Programs:

100 Salaries
 200 Employee Benefits
 300 Purchased Services
 400 Supplies and Materials
 500 Capital Outlay
 600 Other Objects

113 Elementary Programs:

100 Salaries
 200 Employee Benefits
 300 Purchased Services
 400 Supplies and Materials
 500 Capital Outlay
 600 Other Objects

114 High School Programs:

100 Salaries
 200 Employee Benefits
 300 Purchased Services
 400 Supplies and Materials
 500 Capital Outlay
 600 Other Objects

115 Vocational Programs:

100 Salaries
 200 Employee Benefits
 300 Purchased Services - Other Than Tuition
 370 Purchased Services - Tuition
 400 Supplies and Materials
 500 Capital Outlay
 600 Other Objects

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-ALL
PROGRAMS
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX

ACTUAL

117 Driver Education Program:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

120 Exceptional Programs

121 Educable Mentally Handicapped:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

122 Trainable Mentally Handicapped:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

123 Orthopedically Handicapped:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

124 Visually Handicapped:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

125 Hearing Handicapped:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

126 Speech Handicapped:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

127 Learning Disabilities:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

128 Emotionally Handicapped:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-ALL
PROGRAMS
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX

ACTUAL

130 Pre-School Programs

139 Early Childhood Programs:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

140 Special Programs

141 Gifted and Talented - Academic:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

142 Disadvantaged:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

143 Advanced Placement:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

145 Homebound:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

148 Gifted and Talented - Artistic:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

149 Other Special Programs:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-ALL
PROGRAMS
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX

ACTUAL

160 Other Exceptional Programs

161 Autism:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

170 Summer School Program

171 Primary Summer School:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

172 Elementary Summer School:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

173 High School Summer School:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

174 Gifted and Talented Summer School:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

175 Instructional Programs Beyond Regular School Day:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

180 Adult/Continuing Educational Programs

181 Adult Basic Education Programs:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

182 Adult Secondary Education Programs:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-ALL
PROGRAMS
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX

ACTUAL

183 Adult English Literacy (ESL):
 100 Salaries
 200 Employee Benefits
 300 Purchased Services
 400 Supplies and Materials
 500 Capital Outlay
 600 Other Objects
 184 Post Secondary Education Programs:
 100 Salaries
 200 Employee Benefits
 300 Purchased Services
 400 Supplies and Materials
 500 Capital Outlay
 600 Other Objects
 185 Vocational Adult Education Programs:
 100 Salaries
 200 Employee Benefits
 300 Purchased Services
 400 Supplies and Materials
 500 Capital Outlay
 600 Other Objects
 187 Adult Education - Remedial:
 100 Salaries
 200 Employee Benefits
 300 Purchased Services
 400 Supplies and Materials
 500 Capital Outlay
 600 Other Objects
 188 Parenting/Family Literacy:
 100 Salaries
 200 Employee Benefits
 300 Purchased Services
 400 Supplies and Materials
 500 Capital Outlay
 600 Other Objects

TOTAL INSTRUCTION

200 SUPPORT SERVICES

210 Pupil Services

 211 Attendance and Social Work Services:
 100 Salaries
 200 Employee Benefits
 300 Purchased Services
 400 Supplies and Materials
 500 Capital Outlay
 600 Other Objects
 212 Guidance Services:
 100 Salaries
 200 Employee Benefits
 300 Purchased Services
 400 Supplies and Materials
 500 Capital Outlay
 600 Other Objects
 213 Health Services:
 100 Salaries
 200 Employee Benefits
 300 Purchased Services
 400 Supplies and Materials
 500 Capital Outlay
 600 Other Objects

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-ALL
PROGRAMS
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX

ACTUAL

214 Psychological Services:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

215 Exceptional Program Services:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

216 Vocational Placement Services:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

220 Instructional Staff Services

221 Improvement of Instruction-Curriculum Development:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

222 Library and Media:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

223 Supervision of Special Programs:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

224 Improvement of Instruction-Inservice and Staff Training:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

230 General Administration Services

231 Board of Education:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-ALL
PROGRAMS
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX

ACTUAL

232 Office of the Superintendent:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

233 School Administration:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

250 Finance and Operations Services

251 Student Transportation (Federal/District Mandated):

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

252 Fiscal Services:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

253 Facilities Acquisition and Construction:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 510 Land
- 520 Construction Services
- 525 Buildings
- 530 Improvements Other Than Buildings
- 540 Equipment
- 550 Vehicles
- 570 Depreciation
- 545 Technology, Equipment and Software
- 560 Library Books
- 580 Mobile Classrooms
- 590 Other Capital Outlay
- 600 Other Objects

254 Operation and Maintenance of Plant:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 321 Public Utilities (Exclude gas, oil, electric & other heating fuels)
- 400 Supplies and Materials
- 470 Energy (Include gas, oil, electric & other heating fuels)
- 500 Capital Outlay
- 600 Other Objects

255 Student Transportation (State Mandated):

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-ALL
PROGRAMS
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX

ACTUAL

257 Internal Services:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

258 Security:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

259 Internal Auditing Services:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

260 Central Support Services

262 Planning:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

263 Information Services:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

264 Staff Services:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

266 Technology and Data Processing Services:

- 100 Salaries
- 200 Employee Benefits
- 300 Purchased Services
- 400 Supplies and Materials
- 500 Capital Outlay
- 600 Other Objects

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-ALL PROGRAMS
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX
ACTUAL

270 Support Services - Pupil Activity
 271 Pupil Services Activities:
 100 Salaries (Optional)
 200 Employee Benefits (Optional)
 300 Purchased Services (Optional)
 400 Supplies and Materials (Optional)
 500 Capital Outlay (Optional)
 600 Other Objects (Optional)
 660 Supporting Services Pupil Activity

TOTAL SUPPORT SERVICES

300 COMMUNITY SERVICES

320 Community Recreation Services:
 100 Salaries
 200 Employee Benefits
 300 Purchased Services
 400 Supplies and Materials
 500 Capital Outlay
 600 Other Objects
 330 Civic Services:
 100 Salaries
 200 Employee Benefits
 300 Purchased Services
 400 Supplies and Materials
 500 Capital Outlay
 600 Other Objects
 340 Public Library Services:
 100 Salaries
 200 Employee Benefits
 300 Purchased Services
 400 Supplies and Materials
 500 Capital Outlay
 600 Other Objects
 350 Custody and Care of Children:
 100 Salaries
 200 Employee Benefits
 300 Purchased Services
 400 Supplies and Materials
 500 Capital Outlay
 600 Other Objects
 360 Welfare Services:
 100 Salaries
 200 Employee Benefits
 300 Purchased Services
 400 Supplies and Materials
 500 Capital Outlay
 600 Other Objects
 370 Non-Public School Student Services:
 100 Salaries
 200 Employee Benefits
 300 Purchased Services
 400 Supplies and Materials
 500 Capital Outlay
 600 Other Objects
 390 Other Community Services:
 100 Salaries
 200 Employee Benefits
 300 Purchased Services
 400 Supplies and Materials
 500 Capital Outlay
 600 Other Objects

TOTAL COMMUNITY SERVICES

411 Payments to State Department of Education
 720 Transits
 412 Payments to Other Governmental Units
 720 Transits
 413 Payments to Non-Public Schools
 720 Transits
 414 Medicaid Payments to SDE
 720 Transits

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-ALL
PROGRAMS
(INCLUDE PUBLIC CHARTER SCHOOL/COMPONENT UNITS)
FOR FISCAL YEAR ENDED JUNE 30, 20XX

ACTUAL

416 Payments to Public Charter Schools
 720 Transits
 422 Transfer to Special Revenue EIA Fund
 720 Transits

TOTAL EXPENDITURES

OTHER FINANCING SOURCES (USES)

5700 Receipt of Insurance Proceeds
 5800 Receipt of Legal Settlements

Interfund Transfers, From (To) Other Funds:

5210 Transfer from General Fund (Excludes Indirect Costs)
 5220 Transfer from Special Revenue Fund (Excludes Indirect Costs)
 5230 Transfer from Special Revenue EIA Fund
 5240 Transfer from Debt Service Fund
 5250 Transfer from School Building Fund
 5260 Transfer from Food Service Fund (Excludes Indirect Costs)
 5999 Other Financing Sources

420-710 Transfer to General Fund (Exclude Indirect Costs)
 421-710 Transfer to Special Revenue Fund
 422-710 Transfer to EIA Fund
 423-710 Transfer to Debt Service Fund
 424-710 Transfer to School Building Fund
 425-710 Transfer to Food Service Fund
 426-710 Transfer to Pupil Activity Fund

TOTAL OTHER FINANCING SOURCES (USES)

Excess/Deficiency of Revenues over Expenditures

Fund Balance July 1, 20XX
 Fund Balance June 30, 20XX

**ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
EDUCATION IMPROVEMENT ACT
SUMMARY SCHEDULE BY PROGRAM
FOR FISCAL YEAR ENDED JUNE 30, 20XX**

DRAFT

PROGRAM	<u>Revenues</u>	<u>Expenditures</u>	<u>EIA Interfund Transfers In/(Out)</u>	<u>Other Fund Transfers In/(Out)</u>	<u>EIA Fund Deferred</u>
3500 Education Improvement Act:					
3501 Increase High School Diploma Requirements					
3505 School Technology Initiative					
3507 School Innovation Funds (Carryover from 2004–05 only)					
3509 Arts in Education					
3513 Parenting/Family Literacy (Carryover Provision)					
3515 Advanced Placement Courses					
3517 Advanced Placement -Singleton (Subfund 315)					
3520 Gifted and Talented - Academic					
3522 Gifted and Talented - Artistic					
3523 Junior Scholars Programs					
3525 Career and Technology Education Equipment					
3526 EAA Teacher Specialist (No Carryover Provision)					
3527 Critical Teaching Needs					
3528 EAA Principal Specialist (No Carryover Provision)					
3529 EAA Retraining Funds					
3530 Trainable & Profoundly Mentally Disabled Student Services					
3532 National Board Certification (NBC) Salary Supplement (No Carryover Provision)					
3533 Teacher of the Year Awards (No Carryover Provision)					
3534 Professional Development on Standards					
3535 Institute of Reading (South Carolina Reading Initiative—Middle Grades)					
3536 EAA Curriculum Specialist/District Instruction Facilitator (No Carryover Provision)					
3538 EAA Principal leader (No Carryover Provision)					
3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children)					
3542 Preschool Programs for Children with Disabilities					
3546 Academic Assistance K–3 (Carryover Provision)					
3548 Academic Assistance 4–12 (Carryover Provision)					
3549 Academic Assistance Reading Recovery					
3550 Teacher Salary Increase (No Carryover Provision)					
3553 Adult Education - Remedial					
3555 School Employer Contributions (No Carryover Provision)					
3561 Mathematics and Science Centers					
3562 Adult Education, Basic (Includes Rural and Workforce Initiative)					
3564 Adult Education, Young Adult Initiative					
3565 Adult Education, Literacy					
3570 Intervention and Assistance					
3575 Competitive Teacher Grants					
3577 Teacher Supplies (No Carryover Provision)					
3578 High Schools That Work					
3582 Principal's Salary/Fringe Increase (No Carryover Provision)					
3583 EAA Summer School/Comprehensive Remediation					
3588 EAA Palmetto Gold and Silver Awards					

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
EDUCATION IMPROVEMENT ACT
SUMMARY SCHEDULE BY PROGRAM
FOR FISCAL YEAR ENDED JUNE 30, 20XX

PROGRAM	<u>Revenues</u>	<u>Expenditures</u>	<u>EIA Interfund Transfers In/(Out)</u>	<u>Other Fund Transfers In/(Out)</u>	<u>EIA Fund Deferred</u>
3590 Reallocation of EIA Funds (School Building)					
3591 Excellence in Middle Schools					
3592 School-To-Work Transition Act					
3593 EAA Reduce Class Size Grades 1 – 3					
3595 EAA Homework Center Awards (Unsatisfactory and Below Average Schools) (Carryover from 2004–05 only)					
3596 EAA Alternative Schools Program					
3598 Bus Driver Salary Supplement (No Carryover Provision)					
3599 Other EIA					
3900 Other State Revenue:					
3999 Revenue From Other State Sources					
TOTALS					

**ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 20XX**

	BUDGET		VARIANCE	
	(If Applicable)	ACTUAL	FAVORABLE	TOTAL
			(UNFAVORABLE)	
REVENUES				
1000 Revenue from Local Sources				
1100 Taxes:				
1110 Ad Valorem Taxes-Including Delinquent (Fiscally Independent LEA)				
1140 Penalties & Interest on Taxes (Independent)				
1200 Revenue from Local Governmental Units Other than LEAs:				
1210 Ad Valorem Taxes -Including Delinquent (Fiscally Dependent LEA)				
1240 Penalties & Interest on Taxes (Dependent)				
1280 Revenue In Lieu of Taxes (Dependent and Independent)				
1500 Earnings on Investments:				
1510 Interest on Investments				
1530 Gain or Loss on Sale of Investments				
1900 Other Revenue From Local Sources:				
1920 Contributions & Donations Private Sources				
1950 Refund of Prior Year's Expenditures (Include only if expenditure occurred last year and the refund this year.)				
1999 Revenue from Other Local Sources				
Total Local Sources				
2000 Intergovernmental Revenues				
2100 Payments from Other Governmental Units				
2200 Payments from Public Charter Schools				
2310 Payments from Nonprofit Entities (other than First Steps)				
Total Intergovernmental Revenues				
3000 Revenue from State Sources				
3100 Restricted State Funding:				
3170 State School Building Aid				
3172 Children's Education Endowment (Barnwell Facilities Fund)				
3800 State Revenue in Lieu of Taxes:				
3820 Homestead Exemption				
3830 Merchant's Inventory Tax				
3840 Manufacturers Depreciation Reimbursement				
3890 Other State Property Tax Revenues (includes Motor Carrier Vehicle Tax)				
Total State Sources				
TOTAL REVENUE ALL SOURCES				

**ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 20XX**

	BUDGET (If Applicable)	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	TOTAL
EXPENDITURES				
410 INTERGOVERNMENTAL EXPENDITURES				
411 Payments to State Department of Education				
720 Transits				
412 Payments to Other Governmental Units				
720 Transits				
413 Payments to Non-Public Schools				
720 Transits				
414 Medicaid Payments to SDE				
720 Transits				
415 Payments to Nonprofit Entities (for First Steps)				
720 Transits				
416 Payments to Public Charter Schools				
720 Transits				
417 Payments to Nonprofit Entities (other than for First Steps)				
720 Transits				
TOTAL INTERGOVERNMENTAL EXPENDITURES				
500 DEBT SERVICE				
319 Legal Services				
350 Advertising				
395 Other Professional & Technical Services				
610 Redemption of Principal				
620 Interest				
630 Discounts on Bonds Sold				
690 Other Objects (Includes Fees For Servicing Bonds)				
TOTAL DEBT SERVICE				
TOTAL EXPENDITURES				
OTHER FINANCING SOURCES (USES)				
5110 Premium on Bonds Sold				
5120 Proceeds of General Obligation Bonds				
5130 Proceeds of Refunding Debt				
5400 Proceeds from Long-Term Notes				
441-720 Payment to Refunded Debt Escrow Agent				
Interfund Transfers, From (To) Other Funds:				
5210 Transfer from General Fund				
5220 Transfer from Special Revenue Fund (Excludes Indirect Costs)				
5230 Transfer from Special Revenue EIA Fund				
5250 Transfer from School Building Fund				
5260 Transfer from Food Service Fund (Excludes Indirect Costs)				
5270 Transfer from Pupil Activity Fund				
420-710 Transfer to General Fund (Excludes Indirect Cost)				
421-710 Transfer to Special Revenue Fund				
422-710 Transfer to Special Revenue EIA Fund				
424-710 Transfer to School Building Fund				
425-710 Transfer to Food Service Fund				
TOTAL OTHER FINANCING SOURCES (USES)				
Excess/Deficiency of Revenues Over Expenditures				
FUND BALANCE JULY 1, 20XX				
FUND BALANCE JUNE 30, 20XX				

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SCHOOL BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30,20XX

	<u>BUDGET</u> <u>(If Applicable)</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
REVENUES			
1000 Revenue from Local Sources			
1500 Earnings on Investments:			
1510 Interest on Investments			
1530 Gain or Loss on Sale of Investments			
1900 Other Revenue from Local Sources:			
1920 Contributions & Donations Private Sources			
1950 Refund of Prior Year's Expenditures			
(Include only if expenditure occurred last year			
and the refund this year.)			
1999 Revenue from Other Local Sources			
Total Local Sources			
2000 Intergovernmental Revenue			
2100 Payments from Other Governmental Units			
2200 Payments from Public Charter Schools			
2310 Payments from Nonprofit Entities (other than for First Steps)			
Total Intergovernmental Revenue			
3000 Revenue from State Sources			
3100 Restricted State Funding:			
3170 State School Building Fund			
3172 Children's Education Endowment (Barnwell Facilities Fund)			
3900 Other State Revenue:			
3999 Revenue from Other State Sources			
Total State Sources			
TOTAL REVENUE ALL SOURCES			
EXPENDITURES			
250 Finance and Operations			
253 Facilities Acquisition & Construction:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services			
400 Supplies and Materials			
500 Capital Outlay			
510 Land			
520 Construction Services			
525 Buildings			
530 Improvements Other Than Buildings			
540 Equipment			
550 Vehicles			
570 Depreciation			
545 Technology, Equipment and Software			
560 Library Books			
580 Mobile Classrooms			
590 Other Capital Outlay			
600 Other Objects			
690 Other Objects			

**ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
SCHOOL BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 20XX**

	<u>(If Applicable)</u>	<u>BUDGET ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
410 INTERGOVERNMENTAL EXPENDITURES			
411 Payments to State Department of Education			
720 Transits			
412 Payments to Other Governmental Units			
720 Transits			
413 Payments to Non-Public Schools			
720 Transits			
414 Medicaid Payments to SDE			
720 Transits			
415 Payments to Nonprofit Entities (for First Steps)			
720 Transits			
416 Payments to Public Charter Schools			
720 Transits			
417 Payments to Nonprofit Entities (other than for First Steps)			
720 Transits			
TOTAL INTERGOVERNMENTAL EXPENDITURES			
500 DEBT SERVICE			
350 Advertising			
620 Interest			
630 Discount on Bonds Sold			
690 Other Objects			
TOTAL DEBT SERVICE			
TOTAL EXPENDITURES			
OTHER FINANCING SOURCES (USES)			
5110 Premium on Bonds Sold			
5120 Proceeds of General Obligation Bonds			
5300 Sale of Fixed Assets			
5400 Proceeds from Long-Term Notes			
5500 Capital Lease			
5600 Lease Purchases			
Interfund Transfers, From (To) Other Funds:			
5210 Transfer from General Fund (Exclude Indirect Costs)			
5220 Transfer from Special Revenue Fund (Exclude Indirect Costs)			
5230 Transfer from Special Revenue EIA Fund			
5240 Transfer from Debt Service Fund			
5260 Transfer from Food Service Fund (Exclude Indirect Costs)			
5270 Transfer from Pupil Activity Fund			
420-710 Transfer to General Fund (Exclude Indirect Cost)			
421-710 Transfer to Special Revenue Fund			
422-710 Transfer to Special Revenue EIA Fund			
423-710 Transfer to Debt Service Fund			
425-710 Transfer to Food Service Fund			
426-710 Transfer to Pupil Activity Fund			
TOTAL OTHER FINANCING SOURCES (USES)			
Excess/Deficiency of Revenues over Expenditures			
FUND BALANCE JULY 1, 20XX			
FUND BALANCE JUNE 30, 20XX			

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENSES/EXPENDITURES, AND CHANGES IN FUND BALANCE/RETAINED EARNINGS
FOR FISCAL YEAR ENDED JUNE 30, 20XX

	BUDGET (If Applicable)	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
1000 Revenue from Local Sources			
1500 Earnings on Investments:			
1510 Interest on Investments			
1530 Gain or Loss on Sales of Investments			
1600 Food Service:			
1610 Lunch Sales to Pupils			
1620 Breakfast Sales to Pupils			
1630 Special Sales to Pupils			
1640 Lunch Sales to Adults			
1650 Breakfast Sales to Adults			
1660 Special Sales to Adults			
1900 Other Revenue from Local Sources:			
1910 Rentals			
1920 Contributions & Donations Private Sources			
1950 Refund of Prior Year's Expenditures (Include only if expenditures occurred last year and the refund this year.)			
1992 Canteen Operations			
1993 Receipt of Insurance Proceeds			
1994 Receipt of Legal Settlements			
1999 Revenue from Other Local Sources			
Total Revenue from Local Sources			
2000 Intergovernmental Revenue			
2100 Payments from Other Governmental Units			
2200 Payments from Public Charter Schools			
Total Intergovernmental Revenue			
3000 Revenue from State Sources			
3100 Restricted State Funding:			
3140 School Lunch:			
3142 Program Aid			
3900 Other State Sources:			
3999 Revenue from Other State Sources			
Total State Sources			
4000 Revenue from Federal Sources			
4800 USDA Reimbursement:			
4810 School Lunch and After School Snacks Program			
4830 School Breakfast Program			
4850 Cash in Lieu of Commodities (Food Distribution Program)			
4900 Other Federal Sources:			
4991 USDA Commodities (Food Distribution Program) (Carryover Provision)			
4999 Revenue from Other Federal Sources			
Total Federal Sources			
TOTAL REVENUE ALL SOURCES			

**ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENSES/EXPENDITURES, AND CHANGES IN FUND BALANCE/RETAINED
EARNINGS
FOR FISCAL YEAR ENDED JUNE 30, 20XX**

	BUDGET (If Applicable)	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES			
256 Food Services:			
100 Salaries			
200 Employee Benefits			
300 Purchased Services (Exclude gas, oil, electricity, and other heating fuels.)			
400 Supplies and Materials (Include gas, oil, electricity, and other heating fuels.)			
500 Capital Outlay			
600 Other Objects			
TOTAL FOOD SERVICE EXPENDITURES			
410 INTERGOVERNMENTAL EXPENDITURES			
411 Payments to State Department of Education			
720 Transits			
412 Payments to Other Governmental Units			
720 Transits			
413 Payments to Non-Public Schools			
720 Transits			
414 Medicaid Payments to SDE			
720 Transits			
416 Payments to Public Charter Schools			
720 Transits			
TOTAL INTERGOVERNMENTAL EXPENDITURES			
TOTAL EXPENDITURES			
OTHER FINANCING SOURCES (USES)			
5300 Sale of Fixed Assets			
Interfund Transfers, From (To) Other Funds:			
5210 Transfer from General Fund (Excludes Indirect Costs)			
5220 Transfer from Special Revenue Fund (Excludes Indirect Costs)			
5240 Transfer from Debt Service Fund			
5250 Transfer from School Building Fund			
5270 Transfer from Pupil Activity Fund			
420-710 Transfer to General Fund (Excludes Indirect Costs)			
421-710 Transfer to Special Revenue Fund			
422-710 Transfer to Special Revenue EIA Fund			
423-710 Transfer to Debt Service Fund			
424-710 Transfer to School Building Fund			
426-710 Transfer to Pupil Activity Fund			
432-791 Food Service Fund Indirect Costs			
TOTAL OTHER FINANCING SOURCES (USES)			
Excess/Deficiency of Revenues over Expenditures			
Fund Balance/Retained Earnings July 1, 20XX			
Fund Balance/Retained Earnings June 30, 20XX			

ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
PUPIL ACTIVITY FUND
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 20XX

	<u>BUDGET</u> <u>(If Applicable)</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
RECEIPTS			
1000 Receipts from Local Sources			
1300 Tuition:			
1350 from Patrons for Summer School			
1360 from Other LEAs for Summer School			
1500 Earnings on Investments:			
1510 Interest on Investments			
1530 Gain or Loss on Sales of Investments			
1700 Pupil Activities:			
1710 Admissions			
1720 Bookstore Sales			
1730 Pupil Organization Membership Dues and Fees			
1740 Student Fees			
1790 Other			
1900 Other Revenue from Local Sources:			
1910 Rentals			
1920 Contributions & Donations Private Sources			
1950 Refund of Prior Year's Expenditures (Include only if expenditure occurred last year and the refund this year.)			
1993 Receipt of Insurance Proceeds			
1994 Receipt of Legal Settlements			
1999 Revenue from Other Local Sources			
Total Receipts from Local Sources			
2000 Intergovernmental Revenue			
2100 Payments from Other Governmental Units			
2200 Payments from Public Charter Schools			
TOTAL INTERGOVERNMENTAL REVENUE			
TOTAL RECEIPTS ALL SOURCES			
DISBURSEMENTS			
190 Instructional Pupil Activity:			
100 Salaries (optional)			
200 Employee Benefits (optional)			
300 Purchased Services (optional)			
400 Supplies and Materials (optional)			
500 Capital Outlay (optional)			
600 Other Objects (optional)			
660 Pupil Activity			
270 Support Services Pupil Activity (NOTE: 270 is a header code and not a valid account code number. Expenditures must be reported by each of the detail account codes listed below.)			
271 Pupil Service Activities:			
100 Salaries (optional)			
200 Employee Benefits (optional)			
300 Purchased Services (optional)			
400 Supplies and Materials (optional)			
500 Capital Outlay (optional)			
600 Other Objects (optional)			
660 Supporting Services Pupil Activity			

**ANYWHERE SCHOOL DISTRICT
ANYWHERE, S. C.
PUPIL ACTIVITY FUND
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 20XX**

	BUDGET (If Applicable)	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
272 Enterprise Activities:			
100 Salaries (optional)			
200 Employee Benefits (optional)			
300 Purchased Services (optional)			
400 Supplies and Materials (optional)			
500 Capital Outlay (optional)			
600 Other Objects (optional)			
660 Pupil Activity			
273 Trust and Agency Activities:			
660 Enterprise Activities			
TOTAL PUPIL ACTIVITY EXPENDITURES			
400 INTERGOVERNMENTAL EXPENDITURES			
411 Payments to State Department of Education			
720 Transits			
412 Payments to Other Governmental Units			
720 Transits			
413 Payments to Non-Public Schools			
720 Transits			
414 Medicaid Payments to SDE			
720 Transits			
416 Payments to Public Charter Schools			
720 Transits			
TOTAL INTERGOVERNMENTAL EXPENDITURES			
500 DEBT SERVICE			
620 Interest			
TOTAL DEBT SERVICE			
TOTAL DISBURSEMENTS			
OTHER FINANCING SOURCES (USES)			
5300 Sale of Fixed Assets			
5700 Receipt of Insurance Proceeds			
5800 Receipt of Legal Settlements			
Interfund Transfers, From (To) Other Funds:			
5210 Transfer from General Fund (Excludes Indirect Costs)			
5240 Transfer from Debt Service Fund			
5250 Transfer from School Building Fund			
5260 Transfer from Food Service Fund (Excludes Indirect Costs)			
420-710 Transfer to General Fund (Excludes Indirect Costs)			
421-710 Transfer to Special Revenue Fund			
422-710 Transfer to Special Revenue EIA Fund			
423-710 Transfer to Debt Service Fund			
424-710 Transfer to School Building Fund			
425-710 Transfer to Food Service Fund			
TOTAL OTHER FINANCING SOURCES (USES)			
Excess/Deficiency of Revenues over Expenditures			
Fund Balance July 1, 20XX			
Fund Balance June 30, 20XX			

Detailed Schedule of Due to State Department of Education/Federal Government

The South Carolina Department of Education requires a detailed schedule of LEA balance sheet accounts that are recorded as “Due to State Department of Education/Federal Government.” The amounts presented in the schedule **must not reflect net balances**. Also, advance payments from the SDE **should not be reflected** if expended during the audited period. Funds normally would be due back to the Department because of overclaimed program expenditures, unallowable costs, or various other possibilities. **Funds with carryover and funding flexibility provisions are not due back to the SDE. Auditors should consult with the LEA to determine if any other claims were submitted after the “Project Accounting Master Lists” and “Payments to Counties” reports were provided.**

At a minimum, the Detailed Schedule of Due to State Department of Education/Federal Government should include the following items for appropriate identification and accounting of funds to be reimbursed:

- The name/title of the program (include ALL STATE and FEDERAL FUNDS that are to be reimbursed).
- The project/grant number (include the YEAR).
- SDE revenue and subfund codes used for reimbursement.
- The reason for the reimbursement.
- The amount of funds to be reimbursed.
- The SDE Office of Finance requires that project component codes be included for any school building projects for which funds are listed in this schedule. The codes are necessary to ensure proper reimbursement.
- Status of amounts due to the SDE or the federal government (e.g., recoupments by grantors, reimbursements made to SDE subsequent to end of fiscal year, and include name of agency for “due to” amounts that are received from grantors other than SDE).

**A detailed example of the required schedule
follows on the next page.**

Any School District

Anywhere, South Carolina

Detailed Schedule of Due to
State Department of Education/Federal Government^a

Program	Grant or Project Number and FY	Revenue & Subfund Codes	Description	Amount Due to SDE or Federal Government	Status of Amounts Due to Grantors ^b
Academic Assistance K-3	EIA	3546/346	Undocumented Cost (Expenditure Account Code)	xx,xxx.xx	
IDEA	05CA120	4510/205	Unreasonable Cost (Expenditure Account Code)	xx,xxx.xx	
Vocational Aid, Title I (by Subprogram) HSTW State	05VA120 Subprogram (20)	4210/207	Overclaimed Cost (Expenditure Account Code)	xx,xxx.xx	

^a This schedule ***must*** be submitted. If no LEA balance sheet accounts are recorded as “Due to State Department of Education/Federal Government,” then please indicate on this schedule with the statement that “No funds are due to state/federal government.”

^b Include the status of amounts due to the SDE or the federal government (e.g., recoupments by grantors, reimbursements made to SDE subsequent to end of fiscal year) and name of agency for “due to” amounts that are received from grantors other than SDE.

INSITE™ Location Reconciliation Schedules

Total expenditures for all funds must be included at the detail shown below in the INSITE™ Location Reconciliation Schedules. The schedules are subject to the same auditing procedures as other supplemental schedules included in the audit. It is imperative that auditors provide all adjusting journal entries to be booked by the school district. These entries are essential when the SDE balances the district General Ledger to the audit. In\$ite data is used on the district and school report cards and must be accurate.

SCHOOL DISTRICT LOCATION RECONCILIATION SCHEDULE

Location ID ¹	Location Description ²	Education Level ³	Cost Type ⁴	Total Expenditures ⁵
00	Districtwide	Non-Schools	Central	\$1,075,768
01	Education Service Center	Other Schools	School	51,807
02	Vocational Center	Other Schools	School	334,856
03	Washington High	High Schools	School	1,064,193
06	District Office	Non-Schools	Central	535,275
08	Jefferson Primary	Elementary Schools	School	597,452
09	Johnson Elementary	Elementary Schools	School	705,432
10	Maintenance Center	Non-Schools	Central	3,751
13	High School Renovation	Non-Schools	Central	1,143,000
44	Lincoln Jr. High School	Middle Schools	School	699,255
45	Adams Elementary	Elementary Schools	School	405,840
46	Cleveland Elementary	Elementary Schools	School	<u>707,937</u>
TOTAL EXPENDITURES/DISBURSEMENTS FOR ALL FUNDS				<u>\$7,324,566⁶</u>

The above expenditures are reconciled to the district's financial statements as follows:

General Fund (Subfunds 100s)	\$5,127,196
Special Revenue Fund (Subfunds 200s, 800s, 900s) ⁷	512,719
Special Revenue EIA Fund (Subfunds 300s) ⁷	512,719
Debt Service Fund (Subfunds 400s)	366,228
Capital Projects Fund (School Building) (Subfunds 500s)	73,246
Proprietary Fund (Food Service) (Subfunds 600s)	12,720
Trust and Agency Fund (Pupil Activity) (Subfunds 700s)	<u>219,737</u>
TOTAL EXPENDITURES/DISBURSEMENTS FOR ALL FUNDS	<u>\$7,324,566⁶</u>

Endnotes for School District INSITE™ Location Reconciliation Schedule

- ¹ Use the same location number that the district assigned for account coding.
- ² Provide brief description of the location identified.
- ³ Locations that instruct students will be classified as “high schools,” “middle schools,” “elementary schools,” “alternative schools,” or “other schools.” all other locations are classified as “non-schools.”
- ⁴ Cost types are classified as either “central” or “school.” “Non-school” education levels will be “central” cost types. All other education levels are “school” cost types.
- ⁵ Total expenditures excluding transfers from all funds for each location.
- ⁶ Total expenditures for all LEA funds included in the audit. This total **MUST RECONCILE** with the total for year-end adjusted General Ledger expenditures submitted by the district.
- ⁷ Expenditures for Special Revenue and Special Revenue EIA Funds should be reported separately.

**INDEPENDENT AREA VOCATIONAL/TECHNOLOGY CENTER
LOCATION RECONCILIATION SCHEDULE**

Name of District Served	Name of School Served	Number of Students Served¹
District 1	Washington High	74
District 2	Jefferson High	45
District 3	Lincoln High	<u>61</u>
TOTAL STUDENTS SERVED		<u>180</u>

The following expenditures are reconciled to the financial statements of the center.

General Fund (Subfunds 100s)	\$1,659,742
Special Revenue Fund (Subfunds 200s, 800s, 900s)	492,654
Special Revenue EIA Fund (Subfund 300s) ³	135,612
Debt Service Fund (Subfund 400s)	0
Capital Projects Fund (School Building) (Subfund 500s)	0
Proprietary Fund (Food Service) (Subfund 600s)	0
Trust and Agency Fund (Pupil Activity) (Subfund 700s)	<u>16,921</u>
	<u>\$2,304,929²</u>

¹ Provide number of students served by location at the 135th day. If average daily membership is not available, an unduplicated headcount is acceptable.

² Total expenditures/disbursements from all funds excluding transfers.

³ Expenditures for Special Revenue and Special Revenue EIA Funds should be reported separately.

Single Audit

The South Carolina Department of Education (SDE) shall review the audit reports to ensure that the LEA has internal control systems that provide reasonable assurance that it is managing federal financial assistance programs in compliance with applicable laws and regulations.

Determination of Major Programs

Under the Single Audit Act, the auditor shall determine and report on whether the recipient has complied with laws and regulations that may have a material effect on each major federal financial assistance program. The Single Audit Act Amendments of 1996 revised the definition of a **major program** to incorporate the use of risk-based criteria as prescribed by the OMB. OMB Circular A-133 requires that specific items be considered in assessing risk for major program determination. These criteria include

- A. A review of the current and prior years' audit experience. A review of the internal control and compliance results is required to help determine the level of risk. If prior audit experience shows weaknesses or deficiencies, these factors must be considered in the risk assessment.
- B. The **oversight** of federal agency and pass-through entity. If the oversight exercised by the federal agencies and pass-through entity is fairly comprehensive, a lower level of risk would be assigned than if there was very little oversight responsibility.
- C. The **inherent risk of the federal program**. A review of the complexity of the program requirements and the method of distributing funds should be considered. Also, significant changes in program laws, regulations, or provisions of federal contracts or grant agreements as well as a new program that is being administered for the first time in a school district may increase risk.

Under the **previous law**, which used only the dollar threshold to determine major programs, the OMB found that only 20 percent of all federal programs were being tested, but the testing accounted for 90 percent of total federal dollars. Using the **new risk-based approach**, 100 percent of federal programs are subject to testing. The OMB sees this approach as a significant improvement in audit coverage over federal programs.

The first step in determining which programs are to be tested as **major** programs is to identify **all** types of federal programs. The revised circular has established that the auditor use the larger of \$300,000 or 3 percent of all federal program expenditures when total federal program expenditures are equal to or greater than \$300,000 and less than \$100 million as the criteria for identifying Type A programs. There are different amounts established in the Circular for increments of total federal expenditures over \$100 million. Currently, none of our school districts exceed this amount, so the \$100 million maximum is the relevant level for testing.

How to Determine Major Programs

- A. Add multiple awards with the **same CFDA number** (or multiple awards designated as “other clusters” in the OMB Compliance Supplement) including direct and pass-through awards, to determine if the expenditure threshold has been met for Type A programs. The OMB Compliance Supplement designates the food service programs as “other clusters.” (Using the Schedule of Expenditures of Federal Awards on p. 132 as an example, the Title I programs and food service programs would qualify under the above criteria.)
- B. **FOR THE FOOD SERVICE FUND ONLY**, expenditures are not segregated by funding source (federal, state or local). Therefore, regardless of fund source, **expenditures** for the National School Lunch Program (CFDA 10.555), National School Breakfast Program (CFDA 10.553), and Food Distribution/Commodities program (included with CFDA 10.553, 10.555) will be combined as one program for “Major Program” determination. Other USDA programs in this cluster include Special Milk Program (CFDA 10.556), Child and Adult Care Food Program (CFDA 10.558), and the Summer Food Service Program for Children (CFDA 10.559). Even though these programs are combined for major program determination, total expenditures for each program must be presented in the SEFA by CFDA number and SDE subfund code. For additional guidance on determining federal awards expended, see Section __.205 of Circular A-133.

All other federal programs administered by the school districts are identified as Type B programs.

Type A Programs

All **Type A** programs must be tested unless the program is determined to be low risk. OMB Circular A-133 specifies the following criteria to determine a low level of risk for Type A programs:

- a. the program must have been audited as a **major** program in at least one of the two most recent audit periods, and
- b. there must have been no findings in the **most recent** audit period.

In addition, a **Type A** program can be determined to be low risk based on the professional judgment of the auditor after consideration of areas discussed in Section __.520(c)(1).

The OMB allows a federal agency to request that certain programs not be assessed as low-risk programs. For example, a federal agency may be required to audit a large **Type A** program as major every year in order to comply with the Government Management Reform Act of 1994. If the OMB approves the agency’s request, the agency must notify the recipient and the auditor, if known, at least one hundred eighty (180) days prior to the end of the fiscal year.

In addition, Subpart A, Section __.105 of OMB Circular A-133 specifies that a grouping of closely related programs that share common compliance requirements, known as a **cluster of programs**, shall be considered as one program for determining major programs. These might include research and development (R&D), student financial aid (SFA), and “other clusters.” Other clusters are designated by the OMB in the A-133 Compliance Supplement or designated

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by a state for federal awards. The school food service programs have been designated by the OMB as a cluster of programs. The independent auditor should refer to the A-133 Compliance Supplement to determine which federal awards must be considered as “other clusters” for program testing.

Type B Programs

Once you have identified the Type A programs and assessed the level of risk, you must determine which **Type B** programs are **high risk** by

- a. using current and prior year audit experience,
- b. reviewing the amount of oversight exercised by the federal and pass-through entity,
- c. considering the inherent risk of the federal program, and
- d. using your professional judgment.

For **Type B** programs, risk assessment is required **only** for those programs that exceed the larger of \$100,000 *or* three tenths of one percent (**0.003**) of total federal awards expended when the total federal awards expended are equal to or less than \$100 million.

Risk assessments may be made either for (a) each **Type B** program or (b) only for **Type B** programs to identify enough high-risk **Type B** programs to replace each low-risk Type A program.

If an auditee does not have any Type A programs, then the auditor does not need to perform risk assessment on Type B programs. The auditor should skip Step 3 in Section __.520 of OMB Circular A-133 and go to Step 4, paragraph (f), to determine what programs are needed to meet the percentage-of-coverage rule.

When all programs are identified and risk assessment has been completed, major programs are identified as

- a. **all Type A** programs, unless the program is determined to be low risk;
- b. **all high-risk Type B** programs, using one of two options:
 - at least one-half of Type B programs—but *not more than* the number of **low-risk Type A programs**;

OR

- one high-risk Type B program for each low-risk Type A program;
- c. any programs to be audited as major upon request of a federal agency; and
- d. **any other programs needed** to meet the percentage-of-coverage rule must be tested.

Percentage-of-Coverage Rule

The percentage-of-coverage rule requires the auditor to audit as major programs federal programs with federal awards expended that, in the aggregate, encompass

- at least 50 percent of total federal awards expended (see Section __.520(f) of OMB Circular A-133)

OR

- 25 percent of the total federal awards expended if the school district is determined to be a low-risk auditee.

When selecting additional programs to meet the percentage-of-coverage rule, the auditor may select programs without regard to risk assessment (AICPA SOP 98-3, par. 7.24).

Low-Risk Auditee/School District

To determine if the school district is a low-risk auditee, OMB Circular A-133 establishes the following guidance:

- A. The entity/school district must have audits conducted on an annual basis.
- B. The entity/school district must have unqualified opinions on the financial statements and the Schedule of Expenditures of Federal Awards (SEFA).
- C. The entity/school district must not have any material weaknesses in internal controls.
- D. The entity/school district must not have audit findings for Type A programs for either of the preceding two years for
 - material weaknesses in internal controls and
 - compliance findings that have a material effect on Type A programs,

OR

- known or likely questioned cost in excess of 5 percent of total federal expenditures for a Type A program.

If all the criteria for a low-risk auditee have not been met but the auditor has determined (through professional judgment, prior audit experience, etc.) that an entity is a low-risk auditee, the auditee can request a waiver from the appropriate federal cognizant agency. The request must have the concurrence of the pass-through entity. The appropriate cognizant agency is the one that provides the largest amount of federal awards passed through the nonfederal agency to subrecipients (school districts). Generally for school districts, this will be the U.S. Department of Education (ED). The South Carolina Department of Education (SDE) is the pass-through entity for school districts.

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Requests for waivers should include copies of the entity's single audits for the prior two fiscal years along with the written concurrence of all pass-through entities. The auditee must submit the request and all supporting information to

Charles J. Miller, Director
Post Audit Group
U.S. Department of Education
400 Maryland Avenue, SW, Room 21C5
Washington, DC 20202-4450

The Office of the Chief Financial Officer (OCFO) will review the request as soon as possible. The request will be evaluated, and the OCFO will provide a response to the requesting entity. A copy of the response will be sent to the SDE. Additional information on the preparation and submission of waiver requests may be obtained from the above address.

OMB Circular A-133 requires that all risk analysis procedures be documented in the auditor's working papers.

Deviation from Risk Analysis

OMB Circular A-133 allows for a deviation from the use of risk criteria for the first year of an audit or the first year there is a change in auditors. However, an entity may not use this option more than once every three years. If an auditor elects this option, all Type A programs, plus any Type B programs needed to meet the percentage-of-coverage rule, must be audited as major programs. For additional criteria on deviation from risk analysis refer to Circular A-133, Section __.520(i).

Internal Control

The OMB expanded the definition of internal control in Circular A-133 to implement the 1996 amendments. Circular A-133 includes the following definition of the term ***internal control***:

a process, effected by an entity's management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- (1) Effectiveness and efficiency of operations;
- (2) Reliability of financial reporting; and
- (3) Compliance with applicable laws and regulations.

For ***internal control pertaining to the compliance requirements for federal programs*** (internal control over federal programs), the Circular presents the following definition:

A process—effected by an entity's management and other personnel—designed to provide reasonable assurance regarding the achievement of the following objectives for Federal programs:

- (1) Transactions are properly recorded and accounted for to:

- (i) Permit the preparation of reliable financial statements and Federal reports;
 - (ii) Maintain accountability over assets; and
 - (iii) Demonstrate compliance with laws, regulations, and other compliance requirements.
- (2) Transactions are executed in compliance with:
- (i) Laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on a Federal program; and
 - (ii) Any other laws and regulations that are identified in the compliance supplement.
- (3) Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.

Review Made as Part of the Audit of the Financial Statements

Generally accepted auditing standards (GAAS) require the auditor to obtain an understanding of the internal control structure that is sufficient to plan an audit and assess control risk for the assertions made. The understanding is to identify the types of potential misstatements, to consider the factors that may affect the risk of material misstatement, and to design effective substantive tests.

Review Made as Part of the Audit of Federal Financial Assistance Programs

In addition to the requirements of the generally accepted government auditing standards (GAGAS), OMB Circular A-133 requires the auditor to perform procedures to obtain an understanding of internal controls over federal programs sufficient to plan the audit to support a low assessed level of control risk for major programs.

According to Section __.500(c) of the Circular, the auditor is required to plan the testing of internal controls over major programs to support a low assessed level of control risk for the assertions relevant to the compliance requirements for each major program and to perform testing of internal control as planned.

When internal controls over some or all of the compliance requirements for a major program are likely to be ineffective in preventing or detecting noncompliance, the auditor should report any reportable conditions or material weaknesses, assess the related control risk at the maximum, and consider whether additional compliance tests are required because of ineffective internal controls.

Compliance Testing

In performing an audit in accordance with GAGAS, the auditor assumes responsibilities beyond those of an audit conducted in accordance with generally accepted auditing standards.

In addition to the requirements of GAGAS, the auditor is required to determine whether the auditee has complied with laws, regulations, and the provisions of contracts or grant agreements that may have a direct and material effect on each of its major programs.

The principal compliance requirements common to most federal programs and the programmatic compliance requirements of the largest federal programs are included in the latest update of the A-133 Compliance Supplement prepared by the Office of Management and Budget.

For the compliance requirements related to federal programs contained in the OMB Compliance Supplement, an audit of these compliance requirements generally will meet the requirements of OMB Circular A-133. However, when there have been changes to the compliance requirements and the changes are not reflected in the OMB Compliance Supplement, the auditor shall determine the current compliance requirements and modify the audit procedures accordingly. For those federal programs not covered in the OMB Compliance Supplement, the auditor should use the types of compliance requirements (e.g., cash management, federal financial reporting, allowable costs/cost principles, types of services allowed or disallowed, eligibility, and matching) contained in the OMB Compliance Supplement as guidance for identifying the types of compliance requirements to test and should determine the requirements governing the federal program by reviewing the provision of contracts and grant agreements and the laws and regulations referred to in such contracts and grant agreements. The auditor should consult with the applicable federal or state agency to determine the availability of agency-prepared supplements or audit guides.

The compliance testing shall include tests of transactions and such other auditing procedures necessary to provide the auditor sufficient evidence to support an opinion on compliance.

The auditor should exercise professional judgment in the selection and testing of representative samples of each major program. When making this selection of representative samples, one should consider the following factors:

- the adequacy of any existing internal control,
- the amount of program expenditures,
- program newness to the LEA,
- prior experience with the program,
- program extent in contracting for goods and services,
- the level of existing oversight by the SDE, and
- the expectation of adherence to laws and regulations.

The Single Audit Act requirement that transactions related to nonmajor programs selected in connection with the examination of basic financial statements and the study of internal controls be tested for compliance with federal laws and regulations **has been eliminated**.

Compliance requirements for the majority of federal programs administered by the SDE have been incorporated into this guide. The auditor should research the applicable statutes, the code of

federal regulations, other grant documents, and appropriate manuals if the “Compliance Supplement” section of this guide does not include a specific program to be reviewed.

Findings and Questioned Costs

The object of testing compliance with laws and regulations is to express an opinion on whether the LEA has complied, **in all material respects**, with laws and regulations, noncompliance with which ***could* have a material effect** on federal programs. Although the independent auditor’s opinion relates only to **material noncompliance**, the Single Audit Act Amendments of 1996 require that **all instances of noncompliance and questioned costs greater than \$10,000 be identified**.

Instances of noncompliance and questioned costs for federal award programs are to be reported in *a* Schedule of Findings and Questioned Costs. **This schedule is REQUIRED and should state “NONE” if there are no findings.**

Listed findings should be organized so that they can readily be related back to the supplementary Schedule of Expenditures of Federal Awards and should identify the CFDA number to which they relate. Findings that produce questioned costs should be described completely and clearly so that the program manager can understand the nature of and the reason for the noncompliance and can determine the relative magnitude of the finding. Guidance on the preparation of the schedule may be found in *GAS* (the “yellow book”), chapter 5, and in AICPA SOP 98-3 (March 17, 1998).

OMB Circular A-133 requires the auditor to provide information from the audit of the financial statements performed in accordance with GAGAS in the Schedule of Findings and Questioned Costs. As prescribed, the Schedule of Findings and Questioned Costs should present material findings and noncompliance as well as instances of noncompliance and questioned costs greater than \$10,000. The schedule should include the following three components:

- a. a summary of the auditor’s results that includes
 - the type of report the auditor issued on the financial statements of the auditee (i.e., unqualified opinion, qualified opinion, adverse opinion, or disclaimer of opinion);
 - where applicable, a statement that reportable conditions in internal controls were disclosed by the audit of the financial statements and whether any such conditions were material weaknesses;
 - a statement as to whether the audit disclosed any noncompliance that is material to the financial statements of the auditee;
 - where applicable, a statement that reportable conditions in internal controls over major programs were material weaknesses;
 - the type of report the auditor issued on compliance for major programs (i.e., unqualified opinion, qualified opinion, adverse opinion, or disclaimer of opinion);

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- a statement as to whether the audit disclosed any audit findings that the auditor is required to report;
 - the identification of major programs;
 - the dollar threshold used to distinguish between Type A and Type B programs; and
 - a statement as to whether the auditee qualified as a low-risk auditee;
- b. findings and questioned costs for the financial statement that are required to be reported in accordance with GAGAS; and
- c. findings and questioned costs for federal awards that shall include
- audit findings (e.g., internal control findings, compliance findings, questioned costs, fraud) that relate to the same issue should be presented as a single audit finding (where practical, audit findings should be organized by federal agency or pass-through entity); and
 - audit findings that relate to both the financial statements and the federal awards.

Audit Findings

Circular A-133 specifies the following types of audit findings that the auditor is required to report in the Schedule of Findings and Questioned Costs for federal award programs:

- A. **Reportable conditions in internal controls over major programs.** The auditor's determination of whether a deficiency in internal control is a reportable condition for the purpose of reporting an audit finding is in relation to a type of compliance requirement for a major program or an audit objective identified in the A-133 Compliance Supplement. The auditor shall identify reportable conditions that are individually or cumulatively **material weaknesses**.
- B. **Material noncompliance with the provisions of laws, regulations, contracts, or grant agreements related to a major program.** The auditor's determination of whether a noncompliance with the provisions of laws, regulations, contracts, or grant agreements is **material** for the purpose of reporting an audit finding is in relation to a type of compliance requirement for a major program or an audit objective identified in the A-133 Compliance Supplement.
- C. **Known questioned costs that are greater than \$10,000 for a type of compliance requirement for a major program.** Known questioned costs are those specifically identified by the auditor. In evaluating the effect of questioned costs on the opinion on compliance, the auditor considers the best estimate of total costs questioned (likely questioned costs), not just the questioned costs specifically identified (known questioned costs). The auditor shall also report known questioned costs when likely questioned costs are greater than \$10,000 for a type of compliance requirement for a major program. In reporting

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questioned costs, the auditor shall include information to provide proper perspective for judging the prevalence and consequences of the questioned costs.

- D. **Known questioned costs that are greater than \$10,000 for a federal program that is not audited as a major program.** Except for audit follow-up, the auditor is not required under this part to perform audit procedures for such a federal program; therefore, the auditor will normally not find questioned costs for a program that is not audited as a major program. However, if the auditor does become aware of questioned costs for a federal program that is not audited as a major program (i.e., as part of audit follow-up or other audit procedures) and the known questioned costs are greater than \$10,000, then the auditor shall report this as an audit finding.
- E. The circumstances concerning **why the auditor's report on compliance for major programs is other than an unqualified opinion**, unless such circumstances are otherwise reported as audit findings in the Schedule of Findings and Questioned Costs for federal awards.
- F. **Known fraud affecting a federal award, unless such fraud is otherwise reported as an audit finding in the Schedule of Findings and Questioned Costs for federal awards.** This paragraph does not require the auditor to make an additional reporting when the auditor confirms that the fraud was reported outside the auditor's reports under the direct reporting requirements of GAGAS.
- G. Instances where the results of audit follow-up procedures disclosed that the **summary schedule of prior audit findings prepared by the auditee materially misrepresents the status of any prior audit finding.**

Audit Finding Detail

Audit findings are to be presented in sufficient detail for the auditee to prepare a corrective action plan and take corrective action and for federal agencies and pass-through entities to arrive at a management decision. The following specific information should be included, as applicable, in audit findings:

- A. Federal program and specific federal award identification including the CFDA title and number, federal award number and year, name of federal agency, and name of the applicable pass-through entity. When information such as the CFDA title and number or federal award number is not available, the auditor should provide the best information available to describe the federal award.
- B. The criteria or specific requirement upon which the audit finding is based, including statutory, regulatory, or other citation.
- C. The condition found, including facts that support the deficiency identified in the audit finding.
- D. Identification of questioned costs and how they were computed.
- E. Information to provide proper perspective for judging the prevalence and consequences of the audit findings, such as whether the audit findings represent an isolated instance or a systemic problem. Where appropriate, instances identified should be related to the universe and the number of cases examined and be quantified in terms of dollar value.
- F. The possible asserted effect to provide sufficient information to the auditee and federal agency, or pass-through entity in the case of a subrecipient, to permit them to determine the cause and effect to facilitate prompt and proper corrective action.
- G. Recommendations to prevent future occurrences of the deficiency identified in the audit finding.
- H. Views of responsible officials of the auditee on audit findings, to the extent practical.

Each audit finding in the Schedule of Findings and Questioned Costs should include a reference number to allow for easy referencing of the audit findings during follow-up.

Government auditing standards also require that auditors consider the results of previous audits and follow up on known significant findings and recommendations that directly relate to the objectives of the audit being undertaken. **If there are no uncorrected material or significant prior-year findings, the schedule should state “None.”** See page 133 for items required in the summary schedule of prior audit findings.

Auditor's and Auditee's Reports and Schedules

The Single Audit Act Amendments and revised OMB Circular A-133 require the auditor to report on internal control structure, on matters pertaining to compliance with laws and regulations, and on the supplementary Schedule of Expenditures of Federal Awards. The following reports should be issued in conjunction with an audit of an LEA. Report illustrations and explanations are presented in AICPA SOP 98-3, March 17, 1998.

REQUIRED REPORTS

The auditor's reports shall state that the audit was conducted in accordance with OMB Circular A-133 and shall include the following:

- An opinion (or disclaimer of opinion) as to whether the financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles and an opinion (or disclaimer of opinion) as to whether the Schedule of Expenditures of Federal Awards is presented fairly in all material respects in relation to the financial statements taken as a whole.
- A report on internal controls related to the financial statements and major programs. This report shall describe the scope of testing of internal controls and the results of the tests and, where applicable, refer to the separate Schedule of Findings and Questioned Costs.
- A report on compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements. This report shall also include an opinion (or disclaimer of opinion) as to whether the auditee complied with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program and, where applicable, refer to the separate Schedule of Findings and Questioned Costs.
- Schedule of Findings and Questioned Costs

The auditor's report on compliance must contain a summary of all findings of noncompliance and an identification of total amounts questioned for each federal financial assistance program as a result of noncompliance or a reference to a separate Schedule of Findings and Questioned Costs.

- Supplementary Schedule of Expenditures of Federal Awards (SEFA)

CORRECTIVE ACTION PLAN

The Single Audit Act and OMB Circular A-133 requires the district's management to submit to the pass-through entity (the SDE), along with the single audit reports, a plan for corrective action to remedy any material weakness in the internal control structure or material instances of noncompliance found during the audit. In accordance with the Circular, the corrective action plan (CAP) must address each audit finding that affects federal awards listed in the Schedule of Findings and Questioned Costs. The CAP must include the reference numbers the auditor assigns to audit findings, list the name(s) of the contact person(s) responsible for corrective action, describe the corrective action planned, and state the anticipated completion date. If the auditee does not agree with the audit findings or believes that corrective action is not required, then the CAP must include an explanation and specific reasons.

The CAP and an accompanying summary schedule of prior audit findings (see below) must be submitted to the SDE by the **December 1** due date of the audit.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Circular A-133 requires that management (the auditee) prepare the summary schedule of prior audit findings, which must include the reference numbers the auditor assigns to audit findings. Since the schedule may include audit findings from multiple years, it must include the fiscal year in which the finding initially occurred.

The summary schedule of prior audit findings should report the status of all audit findings included in the prior audit's Schedule of Findings and Questioned Costs relative to federal awards. The schedule must also include audit findings reported in the prior audit's schedule except audit findings listed as corrected, no longer valid, or not warranting further action.

- A. When are fully corrected, the summary schedule of prior audit findings must list the audit findings and state that corrective action was taken.
- B. When audit findings are not corrected or are only partially corrected, the summary schedule of prior audit findings must describe the planned corrective action as well as any partial corrective action taken.
- C. When corrective action taken is significantly different from corrective action previously reported in a corrective action plan or in the federal agency's or pass-through entity's management decision, the summary schedule of prior audit findings must provide an explanation.
- D. When the auditee believes the audit findings are no longer valid or do not warrant further action, the reasons for this position must be described in the summary schedule. A valid reason for considering an audit finding as not warranting further action is that ***all of the following*** conditions will exist:
 - Two years have passed since the audit report in which the finding occurred was submitted to the Federal Audit Clearinghouse.

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- The federal agency or pass-through entity is not currently following up with the auditee on the audit finding.
- A management decision was not issued.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

In accordance with Circular A-133, the auditee must also prepare the Schedule of Expenditures of Federal Awards (SEFA) for the period covered by the auditee's financial statements. At a minimum, the schedule must

- a. list individual federal programs by federal agency and major subdivision within a federal agency;
- b. state the name of the pass-through entity and the identifying number assigned by the pass-through entity for federal awards received as a subrecipient;
- c. provide total federal awards expended for each individual federal program by CFDA number or other identifying number when the CFDA information is not available **(for guidance on determining federal awards expended, see Section ____ .205 OMB Circular A-133)**;
- d. include notes that describe the significant accounting policies used in preparing the schedule;
- e. include, to the extent practical, the pass-through entity's identification of the total amount provided to subrecipients from each federal program; and
- f. state, in either the SEFA or a note to the SEFA, the value of the federal awards expended in the form of noncash assistance, the amount of insurance in effect during the year, and the amount of loans or loan guarantees outstanding at year-end.

In addition, the SDE requires that standard subfund codes be included for each federal program listed on the SEFA.

**An example of the Schedule of Expenditures of Federal Awards
is provided on the following page.**

Anywhere School District
Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 20xx¹

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Federal Award/ Grant Number	Pass-Through Grantor's Number	Total Expenditures ²
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
	Passed through SDE:				
6xx	Food Distribution/Commodities	10.550		NA	\$200,000
6xx	School Breakfast Program	10.553			100,000
6xx	School Lunch Program	10.555			<u>500,000</u>
					\$800,000
	Direct Programs:				
2xx	National Forest Funds	10.666		NA	<u>\$32,000</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE					<u>\$832,000</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>					
	Passed through SDE:				
201	Title I Grants to LEAs	84.010		XXBA120	\$400,000
203	IDEA	84.027		XXCA120	230,000
207	Voc Ed (subprogram 04) ³	84.048		XXVA120	\$120,000
207	Voc Ed (subprogram 20) ³	84.048		XXVA120	15,000
207	Voc Ed (subprogram 26) ³	84.048		XXVA120	1,000
207	Voc Ed (subprogram 41) ³	84.048		XXVA120	15,000
207	Voc Ed (subprogram 47) ³	84.048		XXVA120	<u>1,000</u>
	TOTAL 84.048				\$152,000
205	Handicapped Preschool Grant	84.173		XXCG120	200,000
209	Drug and Violence Prevention Program	84.186		XXFQ120	25,000
241	Title VI	84.298		XXBB120	<u>121,000</u>
TOTAL U.S. DEPARTMENT OF EDUCATION					<u>\$1,128,000</u>
OTHER FEDERAL ASSISTANCE					
<u>U.S. DEPARTMENT OF DEFENSE</u>					
	Direct Programs:				
2xx	Air Force ROTC			NA	<u>\$20,000</u>
TOTAL OTHER FEDERAL ASSISTANCE				<u>\$20,000</u>	
TOTAL FEDERAL ASSISTANCE EXPENDED					<u>-\$1,980,000</u>

See previous section of audit guide for minimum requirements for note disclosures in this schedule.

¹ All federal programs should be individually identified, including those completed or terminated during the audit period. The LEA subfund codes represent standard codes where applicable.

² For FEMA claims, use total expenditure amounts on project reports.

³ Information must be provided for each individual project or subprogram administered under each "Program Title."

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CFDA CROSS-REFERENCE

To assist the auditor in obtaining the appropriate CFDA number for federal funds that **pass through the State Department of Education** to the LEAs, a cross-reference of programs by CFDA (Catalog of Federal Domestic Assistance) number is provided here. To determine the appropriate CFDA number, match the project component code shown on the SDE “Payment to Counties” listing to the project component code.

2005–06 CFDA CROSS-REFERENCE

PAYMENT TO COUNTIES PROJECT COMPONENT CODE	PROGRAM DESCRIPTION	FEDERAL GRANTOR	CFDA NUMBER
0002	GEAR UP	ED (through the S.C. Commission on Higher Education)	84.334
0005	S.C. Healthy Schools Program	HHS	93.283
0007	Learn and Serve America	Corp. for National and Community Service	94.004
0008	GEAR UP (Adult Ed)	ED (through the S.C. Commission on Higher Education)	84.334
0010	Even Start Family Literacy	ED	84.213
0012	AmeriCorps Promise Fellows Community Service	Corp. for National and	94.007
0013	Implement Quality of Child Care	HHS	93.575
0014	Comprehensive School Health Program	HHS	93.938
0016	Learn and Serve America: K–12 Community Based	Corp. for National and Community Service	94.004
0018	S.C. Statewide Systemic Initiative	NSF	47.076
0022	Appalachian Regional	ARC	23.002

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**2005–06
CFDA CROSS-REFERENCE**

PAYMENT TO COUNTIES PROJECT COMPONENT CODE	PROGRAM DESCRIPTION	FEDERAL GRANTOR	CFDA NUMBER
0024	Learn and Serve America: CHESP	Corp. for National and Community Service	94.004
0033	Head Start Families TANF	HHS	93.600
0034	TEACH—Child Care Development	HHS	93.575
0036	Technology Literacy Challenge	ED	84.318
0037	Charter Schools	ED	84.282
0040	School-to-Work Implementation	DOL	17.249
0042	AmeriCorps Volunteers	Corp. for National and Community Service	94.006
0043	AmeriCorps PDAT	Corp. for National and Community Service	94.009
0044	AmeriCorps (Admin.)	Corp. for National and Community Service	94.009
0045	Comprehensive School Reform Demonstration Program	ED	84.332
0046	AmeriCorps Disability Community Service	Corp. for National and	94.009
0047	School-Age Day Care	HHS	93.575
0048	Migrant Education, Basic Grant	ED	84.011
0054	School Renovation, IDEA, and Technology	ED	84.352
0055	Reading Excellence Act	ED	84.338

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**2005-06
CFDA CROSS-REFERENCE**

PAYMENT TO COUNTIES PROJECT COMPONENT CODE	PROGRAM DESCRIPTION	FEDERAL GRANTOR	CFDA NUMBER
0056	HOPE—Having Opportunities Present	US Dept of Justice (through S.C. Dept of Public Safety)	16.523
0060	School Based Youth Court	US Dept of Justice (through SC Dept of Public Safety)	16.540
0065	Community Service for Expelled or Suspended Students	ED	84.184
0066	State Assessments and Related Activities	ED	84.369
0067	English Language Acquisition: State Formula Grant Program	ED	84.365
0068	Improving Teacher Quality State Grants	ED	84.367
0069	After School Learning Center	ED	84.287
0070	Rural and Low-Income Schools	ED	84.358
0071	SC Youth Court Expansion Initiative	US Dept of Justice (through SC Dept of Public Safety)	16.523
0073	Homeland Security	Corp for National & Comm. Service	94.006
0074	State Program Improvement	ED	84.323
0075	Transition to Teaching-Statewide	ED	84.350

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**2005–06
CFDA CROSS-REFERENCE**

PAYMENT TO COUNTIES PROJECT COMPONENT CODE	PROGRAM DESCRIPTION	FEDERAL GRANTOR	CFDA NUMBER
0077	Grants for Enhanced Assessment Instruments	ED	84.368
0079	Reading First	ED	84.357
0081	Truancy Court Expansion	U.S. Dept of Justice (through S.C. Dept of Public Safety)	16.523
0082	Math & Science Partnerships	ED	84.366
0083	Eisenhower Professional Development State Grant	ED (through S.C. Comm. on Higher Education)	84.281
0084	Workforce Investment Act	U. S. Dept of Labor (through S.C. Employment Commission)	17.267
0085	AmeriCorps—State	Corp for National and Comm Service	94.006
0086	Juvenile Justice and Delinquency Congress	U.S. Dept of Justice	16.541
0087	S.C. Javits	ED	84.206
0088	National Fish and Wildlife	U.S. Fish and Wildlife	15.608
0090	Literacy – Voc Rehab	ED (through SC Voc Rehab)	84.235
0097	Hurricane Relief Fund	ED	84.938C

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**2005-06
CFDA CROSS-REFERENCE**

PAYMENT TO COUNTIES PROJECT COMPONENT CODE	PROGRAM DESCRIPTION	FEDERAL GRANTOR	CFDA NUMBER
1001	Title I Grants to LEAs (includes Master Teacher Program)	ED	84.010
1002	Title I Migrant Education, Basic State Grant	ED	84.011
1004	Title I Neglected and Delinquent	ED	84.013
1007	Title VI	ED	84.298
1008	Handicapped Preschool Grants	ED	84.173
1009	IDEA Children with Disabilities (Handicapped) State Grants (including Professional Development)	ED	84.027
1010	Adult Education Grant	ED	84.002
1030	School Food Service Adm.	USDA	10.560
1031	Nutrition Education Training (NET)	USDA	10.564
1032	National School Lunch Program - Combined	USDA	10.553/10.555
1054	Voc Ed, Tech Prep Education	ED	84.243
1071	Voc Ed, Basic	ED	84.048
1085	Drug and Violence Prevention Programs	ED	84.186
1087	Robert C. Byrd Scholarship	ED	84.185
1089	Education of Homeless Children (McKinley Homeless Assistance Act)	ED	84.196

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**2005-06
CFDA CROSS-REFERENCE**

PAYMENT
TO COUNTIES
PROJECT
COMPONENT
CODE

PROGRAM
DESCRIPTION

FEDERAL
GRANTOR

CFDA
NUMBER

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COMPLIANCE SUPPLEMENT FOR SINGLE AUDITS OF LOCAL GOVERNMENTS

The 2006 update of the OMB Compliance Supplement is effective for audits of fiscal years beginning after June 30, 2005. The Office of Management and Budget has prepared the 2006 Compliance Supplement. This section presents information on compliance as outlined in the latest update of the OMB Compliance Supplement. The following compliance section includes program objectives, program procedures, compliance requirements, and suggested audit procedures as interpreted by program directors in the State Department of Education (SDE).

Each requirement is accompanied by suggested audit procedures that can be used to test for compliance. These are *not the only* procedures an auditor can use, nor are they mandatory procedures. Auditors may apply professional judgment and use procedures of their choice to determine adequacy, timeliness, the extent of reviews, and tests performed, as long as the procedures used support the opinion issued on compliance (or noncompliance) with the specified requirements for items tested.

If, during the course of an examination, you encounter federal projects that are administered by the SDE but are not addressed in the OMB Compliance Supplement, please contact the Office of Finance, District Auditing and Field Services Section.

OMB Compliance Requirements

Several statutory and regulatory requirements are applicable to all or most federal assistance programs. Requirements that involve significant national policy and for which noncompliance could have a material impact on an organization's financial statements are presented in the compliance supplement for single audits issued by the U.S. Office of Management and Budget. The 2006 update of this supplement is effective for audits conducted after June 30, 2005. It is available on the Internet at <http://www.whitehouse.gov/omb/circulars/a133_compliance/06/06toc.html>.

Other Internet addresses that are useful in obtaining OMB updates to the Compliance Supplement and single audit information are given in appendix E of this guide. **It is incumbent upon the independent auditor to follow the most current authoritative references for reporting purposes.**

SDE Financial Reports

Compliance Requirement

Periodic submission of expenditure reports (PAO1R) are used to obtain most federal financial assistance that passes through the State Department of Education (SDE) to the local education agency (LEA).

Suggested Audit Procedure(s)

- Review procedures for preparing SDE financial reports and evaluate for adequacy.
- Sample SDE financial reports for each material program and review for completeness and timeliness of submission.
- Trace data to the supporting documentation (e.g., worksheets, ledgers).
- Review adjustments made to General Ledger amounts that affect financial reports sent to the SDE and evaluate for propriety.
- Review the LEA's "Project Accounting Master" and "Payments to Counties" printout for reconciliation to the General Ledger amounts. (See appendix F for a liftable letter that can be used in requesting a copy of the "Project Accounting Master" from the SDE.)

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Commercial Driver's License (CDL) Drug and Alcohol Testing Program

(Code of Federal Regulations, Title 49, Chapter III, Section 383 et al., Federal Highway
Administration, Department of Transportation)
(To be tested for all districts)

I. Program Objective

The objective of the commercial driver's license (CDL) drug and alcohol testing program is to reduce or prevent school bus collisions, fatalities, and injuries by requiring commercial driver license operators (school bus drivers) to participate in ongoing drug and alcohol abuse awareness education program and drug and alcohol testing program.

II. Program Purpose

The purpose of the CDL drug and alcohol testing is to prevent the misuse of alcohol or the use of controlled substances by school bus drivers and other school bus transportation safety-sensitive employees who are charged with the responsibility of ensuring the safe transport of students to and from school and school-related activities. This program is based upon state and federal laws, requiring school district bus drivers to participate in a drug and alcohol testing program encompassing the following areas:

- preemployment testing,
- post-accident testing,
- random testing,
- reasonable suspicion testing,
- return-to-duty testing, and
- follow-up testing.

III. Compliance Requirements

The local school district or district contractor, as the employer, and in accordance with state and federal laws, is the administrative entity of the Drug and Alcohol Testing program for its CDL employees (school bus drivers). Districts are required to maintain drug and alcohol testing programs that comply with the following procedures:

- A. Each district shall ensure that all alcohol or controlled substances testing is conducted in compliance with federal law and procedures. (**49 C.F.R. § 382.105 Testing procedures**)
- B. Before performing an alcohol or controlled substances test, the district shall notify a prospective driver (school bus driver) that the alcohol or controlled substances test is required. (**49 C.F.R. § 382.113 Requirement for notice**)

- C. Prior to the first time a driver performs safety-sensitive functions (driving a school bus) for an employer, the driver shall undergo testing for controlled substances as a condition of employment. **(49 C.F.R. § 382.301 Preemployment testing)**
- D. As soon as practicable following an occurrence involving a commercial motor vehicle (school bus) operating on a public road, the district shall test each surviving driver for alcohol and controlled substances: **(49 C.F.R. § 382.303 Post-accident testing)**
 - a) who was performing safety-sensitive functions (driving a school bus) with respect to the vehicle, if the accident involved the loss of human life; or
 - b) who receives a citation under state or local law for a moving traffic violation arising from the accident, if the accident involved
 - 1) bodily injury to any person who, as a result of the injury, immediately receives medical treatment away from the scene of the accident; or
 - 2) one or more motor vehicles incurring disabling damage as a result of the accident, requiring the motor vehicle to be transported away from the scene by a tow truck or other motor carrier vehicle.
- E. Random testing for controlled substances and alcohol shall be conducted as follows: **(49 C.F.R. § 382.305)**
 - a) Employers shall conduct random controlled substances testing of all safety-sensitive employees (school bus drivers) at a minimum annual percentage rate of 50 percent of the average number of bus driver positions.
 - b) Employers shall conduct random alcohol testing of all safety-sensitive employees (school bus drivers) at a minimum annual percentage rate of 10 percent of the average number of driver positions.
- F. Reasonable suspicion testing shall be conducted as follows:
 - a) An employer shall require a school bus driver to submit to an alcohol test when the employer has reasonable suspicion to believe that the driver is using alcohol while performing, or is about to perform, a safety-sensitive function (driving a school bus).
 - b) An employer shall require a driver to submit to a controlled substances test when the employer has reasonable suspicion to believe that the school bus driver has violated the prohibitions concerning controlled substances use while performing, or is about to perform a safety-sensitive function (driving a school bus).
- G. Return-to-duty testing shall be conducted as follows: **(49 C.F.R. § 382.309)**
 - a) The employer shall ensure that before a school bus driver returns to duty requiring the performance of a safety-sensitive function (driving a school bus) after engaging in prohibited conduct, the driver shall undergo a return-to-duty alcohol test.

- b) The employer shall ensure that before a school bus driver returns to duty requiring the performance of a safety-sensitive function (driving a school bus) after engaging in prohibited conduct, the driver shall undergo a return-to-duty controlled substances test with a verified negative result for controlled substances use.

H. Following a determination that a school bus driver is in need of assistance in resolving problems associated with alcohol misuse and/or use of controlled substances, each employer shall ensure that the school bus driver is subject to unannounced follow-up alcohol and/or controlled substances testing as directed by a substance abuse professional. **(49 C.F.R. § 382.311 Follow-up testing)**

IV. Reporting Requirements

The employer shall maintain records of its alcohol misuse and controlled substances use prevention programs. The records shall be maintained in a secure location with controlled access. **(49 C.F.R. § 382.401 Retention of records)**

V. Suggested Audit Procedures

Review all district records pertaining to drug and alcohol testing. Verify that the district has a current contract with a provider of drug and alcohol testing services, and can produce the following record files upon demand:

- a) documentation of agreement/contract between the district or district's contractor and a drug and drug testing provider for drug and alcohol testing services,
- b) consolidated annual calendar-year summaries of test results,
- c) documents relating to the random selection process,
- d) documents generated in connection with decisions to administer reasonable-suspicion alcohol or controlled substances tests,
- e) documents generated in connection with decisions of post-accident tests,
- f) documentation verifying that 50 percent of average driving force were tested for controlled substances,
- g) documentation verifying that a minimum 10 percent of average driving force was randomly tested for alcohol, and
- h) documentation verifying that the legally required post-accident tests were conducted.

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Federal Program Compliance

Adult Education Program

CFDA 84.002

I. Program Objective

The program of adult education is provided in order to – (1) assist adults to become literate and obtain the knowledge and skills necessary for employment and self-sufficiency; (2) assist adults who are parents to obtain the educational skills necessary to become full partners in the educational development of their children; and (3) assist adults in the completion of a secondary school credential.

II. Program Procedures

Individuals must be at least eighteen years of age or older, except where the local board assigns students less than eighteen years of age who are not officially in membership in a regular school. No one under the age of sixteen years of age can enter an adult education program.

III. Compliance Requirement(s) and Suggested Audit Procedure(s)

A. Types of Services Allowed or Disallowed

Compliance Requirement

Federal adult education funds can be expended only for the types of services specified in the approved project proposal, including instructional and administrative salaries, operation and maintenance, fringe benefits, travel, instructional supplies/materials, and capital outlay.

Suggested Audit Procedure(s)

- Review grant award and ascertain allowable services.
- Review expenditure and related records.

B. Matching, Level of Effort, and/or Earmarking Requirements

Compliance Requirement

Local administrative costs may not exceed 5 percent of the federal adult education funds.

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Suggested Audit Procedure(s)

- Review district's adult education expenditure reports to determine that no more than 5 percent were used for administrative purposes.

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Breakfast and Lunch Programs, National School

CFDA 10.553,* 10.555*

Includes Canteen Operations

* The State Department of Education requires that the Food Distribution/Commodities program, the School Breakfast Program, and the School Lunch Program be combined for the compliance testing of the food service program.

I. Program Objective

The two objectives of the National School Breakfast and National School Lunch Programs are to use cash grants and food donations to assist in making breakfast and lunch available for school children and to encourage the consumption of agricultural commodities and other foods.

II. Program Procedures

The programs are operated at the local level by a school food authority (SFA), which is reimbursed by the state at rates prescribed by the federal government. Payments are made for breakfasts, lunches, and snacks served to children based on prescribed rates multiplied by the number and category of meals served. Commodities are distributed to SFAs based on projected levels of service.

III. Compliance Requirement(s) and Suggested Audit Procedure(s)

A. Eligibility

Compliance Requirement

The SFA must properly approve applications submitted in accordance with federal eligibility standards (7 C.F.R. § 245.6(b)).

Suggested Audit Procedure(s)

- Ascertain that eligibility guidelines were submitted to the local media with proof of submission, not necessarily publication, as the minimum requirement.
- Ascertain that application approval is based upon the household size and income scale prescribed in the applicable audit year's Free and Reduced Price Meal Policy Statement, or if direct certification is used, appropriate documentation is available from the Department of Social Services/Department of Education match.

Using the schedule below, select the minimum number of schools to be reviewed.

Number of Schools in the SFA	Minimum Number of Schools to Be Reviewed
1–5	1
6–10	2
11–20	3
21–40	4
41–60	6
61–80	8
81–100	10

The number of schools in the SFA is based upon the number of schools participating in the National School Lunch Program.

- In the schools selected, review an appropriate number of applications to assure they are complete and verify them for accuracy. A complete application must have the following information:
 - a. the name(s) of the child or the children (a household/multi-child application is required as of the 2005–06 school year);
 - b. *the total household monthly income shown by person, source, and amount;
 - c. *the names of all household members;
 - d. *the Social Security number of adult household member (aged twenty-one and over) signing the application or an indication that this household member does not possess a Social Security number;
 - e. the signature of an adult member of the household; and
 - f. a determination by the principal or a designated representative as to whether an application is free, reduced, denied, or temporarily free or reduced. (Guidelines as to temporary income and eligibility are also an integral part of the policy statement.)
- * Please note: When a food stamp or a Temporary Assistance to Needy Families (TANF) case number is provided, items b, c, and d are not required.
- Meals served are delineated by school each month in support of the consolidated financial claims report submitted via the School Nutrition Automated Claim System (SNACS). In another sample of schools (see preceding schedule) determine the number of free and reduced price meals claimed for reimbursement and determine whether it exceeds the number of approved applications by accepting the number of free and reduced applications and/or direct certification documents on file and comparing on a daily basis to the number of meals claimed, making use of the web-based claim system for food service (SNACS), and daily participation forms (or equivalent source documents).

B. Reporting Requirements

Compliance Requirement

The SFA must use program funds for program purposes (7 C.F.R. § 210.7(b)). The SFA must account for all revenues and expenses of the nonprofit school food service as prescribed by the state's financial management system (7 C.F.R. §§ 210.14(a-1) and 220.13(i)).

Suggested Audit Procedure(s)

- Ascertain that expenses are for program purposes:
 - a. Salary expenses are for persons who are school food service employees.
 - b. Indirect costs are not charged to direct program expenditures.

If the school district elects to recover any portion of the indirect cost attributable to the school food service, use Account 432-791, Indirect Cost, as a transfer to the General Fund. Ascertain that the charge is a direct expense to the School Food Service Fund as designated in the revised chart of accounts for the School Food Service Fund and not through the transfer account.

- Ascertain that all school food service assets and liabilities are segregated on the balance sheet when this fund is reflected as a Special Revenue Fund.
- Ascertain that revenues and expenses recorded on the General Ledger in appropriate categories are equal to amounts that have been recorded on the claim reports that have been forwarded to the State Department of Education (SDE). If any adjusting entries are recorded in the General Ledger at the year end, these adjustments should be forwarded ***as soon as possible*** by the SFA to the SDE.
- Ascertain that the value of supplies and food (purchased plus commodities) remaining on hand at year-end has been properly recorded as assets on the Balance Sheet of the SFA.
- Determine that the district complies with the legislative Proviso 1.6 (appendix G), which states that "Once a district has expended all state allocated funds for fringe benefits, the district may utilize food service revenues to fund a proportionate share of fringe benefits costs for food service personnel."
- If a district has contracted with a management company but retains its employees, ascertain where the fringe benefit expense for these employees has been charged. Test for compliance with Proviso 1.6 to ensure the Food Service Fund is being charged only its proportional share of the cost of fringe benefits unfunded by the state. Refer to School Food Services Memorandum No.23 (appendix H) dated June 30, 1989, for guidance on the proper allocation of fringe benefits to the Food Service Fund. Ensure that if the district's accounting system is designed to charge salaries plus fringe benefits to the School Fund Service Fund, the following three criteria are met:

- a. A transfer of revenue from the General Fund to the School Food Service Fund equals the fringe benefit charged minus the shortfall portion.
 - b. This transfer is made at the same time the fringe benefits are charged to the School Food Service Fund.
 - c. Indirect cost is claimed only on the shortfall portion of fringe benefits paid from the School Food Service Fund.
- If the Food Service Fund reflects indirect cost expenses, ensure that no prior year indirect cost is charged to the School Food Service Fund. The indirect cost rates may be obtained from the listing below, pages 151–52.
- Ascertain that the approved indirect cost rate for food service includes only shared costs and that none of the included costs are direct costs of food service. The negotiated indirect cost rate must be applied to specific cost categories and not used when costs are directly billed to school food service. Confirm that the school district has complied with the cost allocation plan as outlined in OMB Circular A-87. Refer to School Food Service Memorandum No. 15 (appendix I) for guidance on applying the indirect cost rate for the Food Service Program in accordance with OMB Circular A-87.
- Ascertain that item “State Costs” on the reimbursement claim reflects only funds paid from the state allocation. (Revision to this item as well as other revisions should be submitted to the SDE by the SFA as soon as the district’s school food service portion of the audit is completed.) Identify and document the amount of fringe benefits paid for food service employees from the state allocation.
- Ascertain if the SFA has allowed the Food Service Fund to make “loans” for use in other school system operations. USDA requirements allow borrowing from the Food Service Fund only if the following conditions are met:
 - a. The SFA has accumulated excess net cash resources with the approval of the state agency (SA) for the purpose of meeting a defined future program need.
 - b. **All** of the SFA’s **current food service program needs** are fully funded.
 - c. The loan is formally established at a competitive interest rate and is made for a short duration of time (no more than one year).
 - d. The SFA seeks and receives prior SA approval for each loan and notifies the SA when repayment is completed.
 - e. Duration and repayment must be in accordance with planned use (i.e., purchase of equipment). Note, however, that if the loan is not repaid on schedule, the loaned funds would be considered misappropriated funds and the SDE would take corrective measures that could include the suspension of reimbursement.
- Ascertain that interest due to the school food service is in compliance with USDA regulations as outlined in Food Service Memorandum (appendix K), dated March 19, 1999.

**OFFICE OF SCHOOL FOOD SERVICES
INDIRECT COST RATES, 2005-06**

<u>District</u>	<u>Indirect Cost Rate</u>	<u>District</u>	<u>Indirect Cost Rate</u>
Abbeville	13.27	Florence 4	11.26
Aiken	11.93	Florence 5	11.22
Allendale	14.04	Georgetown	15.18
Anderson 1	10.52	Greenville	13.16
Anderson 2	11.16	Greenwood 50	11.19
Anderson 3	10.92	Greenwood 51	14.70
Anderson 4	18.49	Greenwood 52	13.95
Anderson 5	13.17	Hampton 1	7.23
Bamberg 1	15.45	Hampton 2	14.05
Bamberg 2	13.97	Horry	13.42
Barnwell 19	12.05	Jasper	12.84
Barnwell 29	17.00	Kershaw	12.68
Barnwell 45	9.04	Lancaster	10.98
Beaufort	15.60	Laurens 55	12.86
Berkeley	16.30	Laurens 56	10.27
Calhoun	12.91	Lee	13.57
Charleston	13.18	Lexington 1	13.56
Cherokee	12.92	Lexington 2	12.58
Chester	16.25	Lexington 3	12.39
Chesterfield	11.08	Lexington 4	12.93
Clarendon 1	14.04	Lexington 5	12.62
Clarendon 2	11.06	McCormick	12.30
Clarendon 3	13.76	Marion 1	11.75
Colleton	13.69	Marion 2	10.79
Darlington	10.77	Marion 7	17.03
Dillon 1	9.64	Marlboro	13.03
Dillon 2	14.70	Newberry	11.55
Dillon 3	13.54	Oconee	14.59
Dorchester 2	12.80	Orangeburg 3	12.76
Dorchester 4	11.58	Orangeburg 4	13.20
Edgefield	15.10	Orangeburg 5	13.53
Fairfield	16.51	Pickens	12.44
Florence 1	10.72	Richland 1	13.89
Florence 2	10.91	Richland 2	16.75
Florence 3	10.64	Saluda	16.41

**OFFICE OF SCHOOL FOOD SERVICES
INDIRECT COST RATES, 2005–06 (cont'd)**

<u>District</u>	<u>Indirect Cost Rate</u>	<u>District</u>	<u>Indirect Cost Rate</u>
Spartanburg 1	11.50	Sumter 17	12.99
Spartanburg 2	13.38	Union	11.04
Spartanburg 3	13.25	Williamsburg	12.24
Spartanburg 4	11.50	York 1	12.56
Spartanburg 5	10.65	York 2	13.81
Spartanburg 6	12.31	York 3	15.57
Spartanburg 7	9.55	York 4	14.64
Sumter 2	14.10		

CANTEEN OPERATIONS

- Ascertain that all canteen operations managed by the school food service program are operated strictly on a vending-type arrangement, where all cost incurred plus profit must be taken “up front” monthly by the school food service acting in the capacity of vendor. (This includes all vended products, prepackaged, and prepared foods.)
- Ascertain that once the initial vending has occurred and “up front” charges are taken, no assets have been transferred from the Pupil Activity Fund back to the School Food Service Fund. (Ensure that no splitting of profits, predetermined or otherwise, is occurring in this type of operation.)
- Ascertain that all school food service costs incurred in vending to the canteen operation for purchased food, supplies, and United States Department of Agriculture (USDA) commodities are not reflected in the Revenue/Expenses items: “Cost of Food Used” and “Cost of Supplies Used” as reported in the School Nutrition Automated Claims System (SNACS).
- Ascertain that all profits received from managing the canteen operation by the school food service program are posted in the General Ledger under account number 1992 and reported on the reimbursement claim as “Other: Local Revenue.”
- Ascertain that the Canteen Fund is closed to the Pupil Activity Fund at year-end.

See additional information regarding canteen operations provided in USDA memorandums in appendix K.

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**Carl D. Perkins Vocational and Technical
Education Act of 1998**

CFDA 84.048, 84.243

I. Program Objectives

The stated purpose of the Carl D. Perkins Vocational and Technical Education Act of 1998 (Perkins III) “is to develop more fully the academic, vocational, and technical skills of secondary students and postsecondary students who elect to enroll in vocational and technical education programs.”

II. Program Procedures for Title I Secondary Funds (CFDA 84.048A)

Funds are forwarded to each state education agency (SEA) based on statutory formula for allocation to local education agencies (LEAs). Funds are then granted to LEAs that have approved project applications on file with the SEA describing the activities to be undertaken with the career and technology education funds.

III. Compliance Requirement(s) and Suggested Audit Procedure(s)

A. Types of Services Allowed or Disallowed

Compliance Requirement

An LEA may use Perkins III Title I Secondary Programs funds only for services and activities (a) that are specified in Perkins III and outlined in the *Instructions for Preparing the FY 2001–2004 Local Plan for Career and Technology Education*, (b) that comply with all applicable Perkins III requirements (Pub. L. No. 105-332), and (c) that are included in an application approved by the SEA.

Suggested Audit Procedure(s)

- Review the approved project application including all amendments to determine approved activities for uses of funds.
- Review expenditures and supporting documentation to ascertain if funds were expended for approved activities.
- Review approved CATE programs/courses found in Appendix C of the Student reporting Procedures Manual at <http://www.ed.sc.gov/agency/offices/cate/datacollection/>

Compare these approved programs/courses with those funded with Perkins funds to determine that these funds were only used for CATE approved programs/courses.

B. Maintenance of Effort

Compliance Requirement

The fiscal effort per student or aggregate expenditures from state and local sources for vocational education for the fiscal year preceding the fiscal year for which the determination is made must at least equal the effort or expenditures for vocational education for the second preceding fiscal year. (Pub. L. No. 105-332; Title III, Part A, 311 (b)) of Perkins III)

Suggested Audit Procedure(s)

- Review the second and first preceding years' financial and related records to determine state and local vocational expenditures.
- Review, if necessary, the second preceding and first preceding years' pupil records to determine the per pupil expenditure.

C. Supplement, Not Supplant

Compliance Requirement

An LEA may use Perkins III funds only to supplement and not to supplant nonfederal funds expended to carry out vocational education activities. (Pub. L. No. 105-332, § 511(a)(4); Title III, Part A, Section 311(a) of Perkins III)

Suggested Audit Procedure(s)

- Review financial and pupil records to determine the expenditures for children participating in programs financed by Perkins III funds.
- Ascertain the amount financed with federal funds.
- Identify vocational education services provided to all children with state and local funds.
- Determine whether Perkins III funds were used to provide services that supplement or were in addition to services that would be provided with state and local funds.

D. Noncommingling of Funds

Compliance Requirement

Federal funds allotted to an LEA shall not be commingled with state or local funds so as to lose their identity as federal funds. A separate ledger account shall be maintained in the Special Revenue Fund by project number to assure that each expenditure of federal funds can be identified as such.

Suggested Audit Procedure(s)

- Review the financial records to ensure that funds received by the LEA under Perkins III are recorded by project number in the Special Revenue Fund and not commingled with state and local funds.

IV. Program Procedures for Title I Postsecondary Funds (CFDA 84.048A)

Funds are forwarded to each SEA based on statutory formula for allocation to two- year postsecondary institutions. Funds are then granted to two-year postsecondary institutions that have approved project applications on file with the SEA describing the activities to be undertaken with the vocational funds.

Types of Services Allowed or Disallowed

Compliance Requirement

An LEA may use Perkins III Title I Postsecondary funds only for services and activities that comply with all applicable Perkins III requirements (Pub. L. No. 105-332) and are included in a two-year postsecondary application approved by the State Board for Technical and Comprehensive Education.

Suggested Audit Procedure(s)

- Review the Tech Prep consortium application to determine approved activities for uses of postsecondary funds.
- Review expenditures and supporting documentation to ascertain if funds were expended for approved activities.

V. Program Procedures for Title II Tech Prep Education Funds (CFDA 84.243A)

Funds are forwarded to each SEA based on statutory formula for allocation to Tech Prep Consortia. Funds are then granted to Tech Prep Consortia that have approved project applications on file with the SEA describing the activities to be undertaken with the vocational funds.

Types of Services Allowed or Disallowed

Compliance Requirement

An LEA may use Perkins III Title II Tech Prep funds only for services and activities that comply with all applicable Perkins Act requirements (Pub. L. No. 105-332) and are included in a Tech Prep application approved by the SEA.

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Suggested Audit Procedure(s)

- Review the Tech Prep consortium application to determine approved activities for uses of funds.
- Review expenditures and supporting documentation to ascertain if funds were expended for approved activities.

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**Enhancing Education through Technology (E2T2)
Title II, Part D**

CFDA 84.318

I. Program Objective

The primary goal of the Enhancing Education through Technology program is to improve student academic achievement through the use of technology in elementary and secondary schools. It is designed to assist every student in becoming technologically literate by the end of eighth grade. The purpose of the program is, among other things, to assist States and localities in implementing and supporting a comprehensive system that effectively uses technology in elementary and secondary schools to improve student academic achievement.

II. Program Procedures

State educational agencies (SEAs) in the 50 States, the District of Columbia, Puerto Rico, the Outlying areas, and the Bureau of Indian Affairs (BIA) are eligible to participate in the program.

An “eligible local entity” is either a “high-need LEA” or an “eligible local partnership” (Section 2403(3) of the ESEA, as amended by the NCLB (20 USC 6753(1))).

A “high need LEA” is an LEA that (Section 2403(3) of the ESEA as amended by the NCLB (20 USC 6753(3))):

- (1) Is among those LEAs in the State with the highest numbers or percentages of children from families with incomes below the poverty line; and
- (2) Serves one or more schools identified for improvement or corrective action under Section 1116 of the ESEA, or has a substantial need for assistance in acquiring and using technology.

An “eligible local partnership” is a partnership that includes at least one high-need LEA and at least one of the following (Section 2403(3) of the ESEA, as amended by the NCLB (20 USC 6753(2))):

- (1) An LEA that can demonstrate that teachers in its schools are effectively integrating technology and proven teaching practices into instruction, based on a review of relevant research, and that integration results in improvement in classroom instruction and in helping students meet challenging academic standards.
- (2) An institution of higher education that is in full compliance with the reporting requirements of section 207(f) of the Higher Education Act of 1965, as amended, and that has not been identified by the State as low-performing under that act.
- (3) A for-profit business or organization that develops, designs, manufactures, or produces technology products or services or has substantial expertise in the application of technology in instruction.
- (4) A public or private nonprofit organization with demonstrated expertise in the application of educational technology in instruction.

In making competitive awards, an SEA must give priority to applications from LEAs that receive formula allocations too small to carry out the purposes of the program effectively. In addition, an SEA must ensure that competitive awards are of sufficient size and duration to carry out the purposes of the program effectively (Section 2412(b) of the ESEA, as amended by the NCLB (20 USC 6762(b))).

Competitive grant applicants must submit grant proposals to the Office of Technology by the given deadline. All proposals must include a project narrative with a needs assessment, an evaluation plan that includes goals, objectives, data sources, and indicators, and a budget worksheet including a timeline of activities for the three-year duration of the grant award. Finalists are then invited to attend round two interviews conducted by outside evaluators. The grant recipients are decided after the interviews.

All districts receive a portion of the formula grant allocation. Before receiving funds, districts must submit a project narrative with a needs assessment, an evaluation plan that includes goals, objectives, data sources, and indicators, and a budget worksheet including a timeline of activities for the three-year duration of the grant award.

III. Compliance Requirements and Suggested Audit Procedure(s)

A. Types of Services Allowed or Unallowed

Compliance Requirement (Competitive and Formula Grants)

Each E2T2 recipient must use at least 25 percent of its funds to provide ongoing, sustained, and intensive, high-quality professional development. **(This requirement applies to both formula and competitive grant funds.)**

LEAs may use funds for:

- (a) Increasing accessibility to technology, particularly through public-private partnerships, with special emphasis on accessibility for high-need schools.
- (b) Adapting or expanding applications to technology to enable teachers to increase student academic achievement, including technology literacy, based on the review of relevant research and use of innovative distance learning strategies.
- (c) Acquiring proven and effective courses and curricula that include integrated technology and that are designed to help student reach challenging academic standards.
- (d) Using technology to promote parental involvement and foster communication among students, parents, and teachers about curricula, assignments, and assessments.
- (e) Preparing one or more teachers in schools as technology leaders who will assist other teachers, and providing bonus payments to the technology leaders.
- (f) Enhancing existing technology and acquiring new technology to support education reforms and to improve student achievement.
- (g) Acquiring connectivity linkages, resources, and services to be used by students and school personnel to improve academic achievement.
- (h) Using technology to collect, manage, and analyze data to inform and enhance teaching and school improvement efforts.

- (i) Implementing enhanced performance measurement systems to determine the effectiveness of education technology programs funded with Ed Tech funds.
- (j) Developing, enhancing, or implementing information technology courses.

Suggested Audit Procedure(s)

Check expenditures to ensure twenty-five percent of the grant award is being used for professional development. The technology coach's salary can be included in this calculation. Test the expenditure records to ensure funds are being spent on allowable services.

B. Allowable Costs/Cost Principles

Compliance Requirement (Competitive and Formula Grants)

Consolidation of administrative funds

If an LEA consolidates administrative funds, the LEA may not use any other funds from the consolidating programs for administration. An LEA that consolidates administrative funds is not required to keep separate records of administrative costs for each individual program. Expenditures of consolidated administrative funds are allowable if they are for administrative costs that are allowable under any of the contributing programs.

Suggested Audit Procedure(s)

- Test the expenditure records to ensure administrative funds are being spent on allowable costs.

Compliance Requirement (Competitive and Formula Grants)

Transferability (SEAs and LEAs)

LEAs not identified for corrective action under Section 1116 of ESEA may transfer funds from one or more of the listed applicable programs to another listed applicable program or to Title I, Part A. Listed applicable programs are:

CFDA 84.010 Title I Grants to Local Education Agencies (LEAs) (Part A, Title I)
CFDA 84.186 Safe and Drug-Free Schools and Communities—State Grants (Part A, Title IV)
CFDA 84.287C Twenty-First Century Community Learning Centers (Part B, Title IV)
CFDA 84.298 Innovative Education Program Strategies (Part A, Title V)
CFDA 84.318 Education Technology State Grants (Part D, Title II)
CFDA 84.365 English Language Acquisition Grants (Title III)
CFDA 84.367 Improving Teacher Quality State Grants (Subpart 2, Part A, Title II); (Sections 6211(a)-(c) of ESEA (20 USC 7345(a)-(c)))

LEAs identified for corrective action may not transfer funds (Sections 6123(a) and (b) of ESEA (20 USC 7305b(a) and (b))). LEAs identified for school improvement are required to use transferred funds for school improvement activities (Section 6123(e) of ESEA (20 USC 7305b(e))).

Suggested Audit Procedure(s)

- Ascertain if LEA is or is not identified for corrective action making them eligible to transfer funds to other applicable programs. If an LEA is identified for corrective action, funds may not be transferred.

C. Level of Effort

Compliance Requirement (Competitive and Formula Grants)

General - An LEA may use program funds only to supplement and, to the extent practical, increase the level of funds that would, in the absence of the Federal funds, be made available from non-Federal sources for the education of participating students. In no case may an LEA use Federal program funds to supplant funds from non-Federal sources.

In the following instances, it is presumed that supplanting has occurred:

- a. The SEA or LEA used Federal funds (except Bilingual) to provide services that the SEA or LEA was required to make available under other Federal, State or local laws.
- b. The SEA or LEA used Federal funds to provide services that the SEA or LEA provided with non-Federal funds in the prior year.
- c. The SEA or LEA used Title I, Part A or MEP funds to provide services for participating children that the SEA or LEA provided with non-Federal funds for nonparticipating children.

These presumptions are rebuttable if the SEA or LEA can demonstrate that it would not have provided the services in question with non-Federal funds had the Federal funds not been available.

Suggested Audit Procedure(s)

- Examine budget expenditures to ensure that supplanting has not occurred.

D. Special Tests and Provisions

Compliance Requirement (Competitive and Formula Grants)

An LEA, or any other educational service agency (or consortium of such agencies) receiving financial assistance under an applicable program must provide eligible private school children and their teachers or other educational personnel with equitable services or other benefits under these programs. Before an agency or consortium makes any

decision that affects the opportunity of eligible private school children, teachers, and other educational personnel to participate, the agency or consortium must engage in timely and meaningful consultation with private school officials (Section 9501 of ESEA (20 USC 7881); Title I, Section 1120 of ESEA (20 USC 6320); 34 CFR sections 200.62 through 200.67; and Title V, Part A, Section 5142 of ESEA (20 USC 7217a)). If an LEA uses funds to concentrate services on a particular “group, attendance area, or grade or age level,” private school children in that “group, attendance area, grade or age level” are to be assured equitable participation in projects. Expenditures for services and benefits to eligible private school children and their teachers and other educational personnel must be equal on a per-pupil basis to the expenditures for participating public school children and their teachers and other educational personnel, taking into account the number and educational needs of the children, teachers and other educational personnel to be served. (Section 9501 of ESEA (20 USC 7881); 34 CFR section 299.7)

Suggested Audit Procedure(s)

- Ascertain records and documents from eligible private schools regarding their participation in the E2T2 program. Private schools can opt out of the program. If this is the case, districts should provide documentation and signatures to support this.
- Determine if the LEA, SEA, or other agency receiving ESEA funds has conducted timely consultation with private school officials to determine the kind of educational services to provide to eligible private school children,
- Determine if the planned services were provided, and
- Determine if the required amount was used for private school children.

E. Other Information

Compliance Requirement (Competitive and Formula Grants)

Districts receiving E2T2 formula and/or competitive grant funds must have a new or updated long-range strategic educational technology plan that has been approved by the State Department of Education.

Suggested Audit Procedure(s)

- Review the local technology plan to ensure it is updated, current and approved by the Office of Technology.

Compliance Requirement (Competitive Grants Awards Only)

Each E2T2 competitive grant recipient is required to use a portion of allocated funds to provide a school technology coach at each school participating in the grant program. Funds for the school technology coach can be taken from the federal twenty-five percent professional development fund expenditure requirement. Under no circumstances will this position be eliminated or compromised after an award has been given. Altering the requirements and intent of the school technology coach could result in cancellation of the grant award.

Suggested Audit Procedure(s)

- Ascertain proof of technology coach employment along with a daily schedule of activities. Technology coaches are to be used for professional development, not student instruction or technical support.

F. Reporting Requirements

Compliance Requirement (Competitive and Formula Grants)

Expenditure reports are to be submitted and approved for reimbursement. Budget amendments must be submitted and approved by the Office of Technology.

Suggested Audit Procedure(s)

- Examine expenditure reports and budget amendments to ascertain if required approval was obtained and that allowable expenditures were executed.

Compliance Requirement (Competitive and Formula Grants)

In order to receive E2T2 funds, applicants must complete the South Carolina State Department of Education Online Technology Survey by July 20 of the preceding school year.

Suggested Audit Procedure(s)

- Examine report results for the online technology survey to check completion.

Compliance Requirement (Competitive and Formula Grants)

Accountability data and reporting are vital components of the grant process. Each district will be required to submit a needs assessment and baseline data as a part of their grant proposal project narrative. Upon completion of the grant, districts will be required to submit an annual interim report and a final report. These reports should include supporting data documenting project progress throughout the grant period and the measure of effectiveness that was achieved upon completion. Failure to comply with reporting requirements will result in discontinuation of an award. State conducted site visits will be performed to provide assistance and ensure that evaluation is taking place on a continuous basis.

Suggested Audit Procedure(s)

- Review the evaluation plan in the project and ensure that activities are taking place as written in the proposal. Ascertain proof that the interim and final reports have been completed by given deadlines.

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FEMA Public Assistance Program

(CFDA 97.036)

I. Program Objective

The objective of the Public Assistance Program is to provide supplemental assistance to states, local governments, and selected nonprofit organizations for certain expenses and damages resulting from a major disaster or emergency declared by the President.

II. Program Procedures

Following a presidential declaration of a major disaster or an emergency, the Federal Emergency Management Agency (FEMA) provides grants for public assistance to states and Indian tribal governments. The state or tribe may use the funds to restore its own disaster-damaged projects and to provide subgrants to local governments and selected private nonprofit organizations after the FEMA regional director approves applications for assistance that are made through the Governor's authorized representative or, in the case of tribal governments, are made directly to the FEMA regional director.

III. Compliance Requirement(s) and Suggested Audit Procedure(s)

A. Types of Services Allowed or Disallowed

Compliance Requirement

Disaster assistance funds can be expended only on eligible expenses and damages and at approved rates specified in the approved grant agreement. Disaster assistance funds cannot be used for expenditures funded by federal programs. (44 C.F.R. § 206.226)

Suggested Audit Procedure(s)

- Review the approved grant agreement.
- Test the expenditure records.
- Determine the nature of expenditures and the sources of funding for disaster-related expenditures.

Compliance Requirement

Funds from insurance settlements, salvage, or other sources for specific losses must be deducted by the applicant from its claim. (44 C.F.R. § 206.250)

Suggested Audit Procedure(s)

- Review insurance policies, the minutes of legislative body meetings, and other sources likely to reveal the existence of insurance claims, salvage payments, and similar receipts.

- Test financial records to determine the manner in which such receipts were processed.
- Obtain a representation letter containing a statement that no insurance recoveries, salvage receipts, or other payments for specific losses were received other than those listed.

Compliance Requirement

Funds approved as an improved project can be used only as a contribution for the construction of larger or improved facilities that restore at least the predisaster capacity of the damaged or destroyed facility. (44 C.F.R. § 206.203)

Suggested Audit Procedure(s)

- Review a sample of project reports for damaged or destroyed facilities.
- Ascertain the amount approved for improved projects.
- Ascertain the costs for new facilities.

Compliance Requirement

Funds approved for an alternate project can be used only for alternate projects specifically approved by FEMA. While the grantee or subgrantee has flexibility to propose the type and size of “alternate projects” it wishes to construct, FEMA must review such proposed projects to ensure compliance with environmental and other special concerns. (44 C.F.R. § 206.203)

Suggested Audit Procedure(s)

- Review a sample of the alternate projects on which the claim was based and compare with the approved alternate projects.
- Ascertain the costs incurred for the alternate projects to ensure that the total cost of the projects equals or exceeds the federal, state, and local share.

Compliance Requirement

As a condition of receiving federal assistance for restoration of certain facilities, subgrantees are required to obtain and maintain specified types and extent of insurance. (44 C.F.R. § 206.253)

Suggested Audit Procedure(s)

- Review a sample of those projects for which insurance commitments were required.
- Determine whether the type and extent of insurance required were obtained and whether this insurance is being maintained.

Compliance Requirement

Projects must be completed with time limits established under 44 C.F.R. § 206.204.

Suggested Audit Procedure(s)

- Review a sample of projects to determine whether they were completed within approved time limits.

B. Eligibility

The auditor is not expected to test for eligibility.

C. Matching, Level of Effort, and/or Earmarking Requirements

Compliance Requirement

Costs must be on a shared basis as specified in the federal-state agreement. (Pub. L. No. 93-288; 43 U.S.C. § 5121 *et seq.*; 44 C.F.R. § 206.203)

Suggested Audit Procedure(s)

- Review the federal-state agreement to determine the cost-sharing requirements.
- Review financial and other records to determine the amount and nature of the state and local governments' share.

D. Special Tests and Provisions

Compliance Requirement

All costs of administering the Public Assistance Program at the subgrantee level are covered by a statutorily established percentage, and no costs of administering the program other than that percentage should be included in a subgrantee's claim. (44 C.F.R. § 206.228)

Suggested Audit Procedure(s)

- Review the claim to ensure that costs covered by the statutorily established administrative expenses percentage are not claimed under the public assistance program even though such costs would normally be authorized under Office of Management and Budget (OMB) Circular A-87 for administration of a grant.

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Food Distribution/Commodities*

Included with CFDA 10.553, 10.555

- * The State Department of Education requires that the Food Distribution/Commodities program, the School Breakfast Program, and the School Lunch Program be combined for the compliance testing of the food service program.

I. Program Objective

The objective of the Food Distribution program is to improve the diets of school children and to increase the market for domestically produced foods acquired under surplus removal or price support operations.

II. Program Procedures

The program involves food being made available to a designated state agency such as a state department of education for distribution to recipient agencies such as schools. The food may not be sold, exchanged, or otherwise disposed of without prior, specific approval of the United States Department of Agriculture (USDA). The Food and Nutrition Service (FNS), the administering federal agency, also provides funds to defray, in part, the operating expenses incurred in the administering of the Food Distribution program. The states may also enter into an agreement, called a processing contract, with a commercial organization to use USDA-donated commodities to manufacture and deliver specific food products to eligible recipients.

III. Compliance Requirement(s) and Suggested Audit Procedure(s)

A. Eligibility

Compliance Requirement

Donated foods can be distributed only to recipient agencies:

- schools participating in the National School Lunch Program,
- public or private charitable institutions,
- nonprofit summer camps for children,
- agencies administering programs under Title III and Title VI of the Older Americans Act,
- state correctional institutions,
- service institutions that participate in the Summer Food Service Program for Children,
- nonresidential child-care institutions participating in the Child Care Food Program, and

- disaster organizations. (Pub. L. No. 97-35, § 803(a); 7 C.F.R. § 250.13)

Suggested Audit Procedure(s)

- Determine if the school district has transferred any donated foods to another recipient agency. All such transfers must be approved by the distributing agency.

B. Matching, Level of Effort, and/or Earmarking Requirements

There are no matching, level of effort, or earmarking requirements.

C. Special Tests and Provisions

Compliance Requirement

Recipient agencies (school districts) are required to distribute donated foods to eligible recipients (schools) in accordance with their agreement with the distributing agency. (7 C.F.R. § 250.12)

Suggested Audit Procedure(s)

- Review the agreement with the distributing agency.
- Review the system for the receipt and distribution of food and evaluate it for conformance with the agreement.
- Observe or review the manner in which food is distributed.
- Review the refund application file to assure that all refund item requests are substantiated by purchase invoices, that appropriate refund checks have been received, and that all refunds have been deposited to the school food service account.

Compliance Requirement

Recipient agencies are required to maintain accurate and complete records with respect to the receipt, disposal, and inventory of donated foods. (7 C.F.R. § 250.16)

Suggested Audit Procedure(s)

- Review files for selected allocations of foods to determine that form FD-3, "Notice of Issue," was submitted to the distribution warehouse for the quantity or quantities indicated on form FD-2, "Notice of Arrival," and that individual school delivery invoices match allocated quantities on the form FD-3 (or if form FD-3 not submitted or quantities not delivered, that they are documented as warehouse inventory).
- For selected foods, review to determine if total receipts have been used as documented on meal production records or if any difference is on hand as available inventory.

DRAFT

- Review the Recipient Agency (R/A) History Report to determine if all allocated foods have been properly accounted for.

We are offering approved recipient agencies the option to implement the single inventory record keeping system. Please see the attached documents in appendix L pertaining to this new procedure. The first document concerns commercial labels and the information on the waiver authorizing this new procedure. The second document explains the implications and changes with using commercial labels on commodities. The last document provides questions and answers for the single inventory record keeping system.

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Impact Aid, Title VIII

CFDA 84.041

I. Program Objectives

The objective of the Impact Aid Program (IAP) under Title VIII of the Elementary and Secondary Education Act (ESEA) as amended by the Improving America's Schools Act (IASA) is to provide financial assistance to local educational agencies (LEAs) whose local revenues or enrollments are adversely affected by Federal activities. These activities include the Federal acquisition of real property (Section 8002) or the presence of children residing on tax-exempt Federal property or residing with a parent employed on tax-exempt Federal property ("federally connected" children) (Section 8003).

II. Program Procedures

Funds are provided on the basis of statutory criteria and data supplied by LEAs in applications submitted to the U. S. Department of Education (ED), with copies provided simultaneously to the State Educational Agency (SEA). ED makes payments directly to the LEA. Generally, payments under Section 8003 of the ESEA are based on membership and attendance counts of federally connected children, with additional funds provided for certain federally connected children with disabilities and children residing on Indian lands. Payments under Section 8002 of the ESEA are based on the estimated assessed value of eligible Federal property and the applicable tax rate, and, in case of insufficient funds, upon a statutory formula that considers past year payments. Except for the additional funds provided for federally connected children with disabilities under Section 8003(d) of the ESEA, funds provided under Sections 8002 and 8003 are considered general aid and generally have no restrictions on their expenditure. Any formula funds that are provided under Section 8007(a) of the ESEA to certain LEAs that received Section 8003 payments must be used for construction, as defined in the statute. Any discretionary construction grant funds that are provided under Section 8007(b) of the ESEA to certain LEAs that received Section 8002 or 8003 payments must be used for emergency repairs or modernization, as defined in the statute and regulations.

III. Compliance Requirement(s), Audit Objective, and Suggested Audit Procedure(s)

A. Types of Services Allowed or Disallowed

A-1 Allowable costs: Federally Connected Children with Disabilities

Compliance requirement

LEAs must use the payments provided under Section 8003(d) of the ESEA to conduct programs or projects for the free, appropriate public education of the federally connected children with disabilities who generated those funds.

Allowable costs include expenditures reasonably related to the conduct of programs or projects for the free, appropriate public education of children with disabilities, including program planning and evaluation and acquisition costs of equipment, except when the

title to that equipment would not be held by the LEA. Costs for school construction are not allowable (Section 8003 of ESEA; 34 CFR section 222.53(c)).

Audit Objective (LEA)

To determine whether the services or programs provided with Section 8003(d) funds were allowable activities.

Suggested Audit Procedure(s)

Select a sample of expenditures and determine whether they (a) were for allowable activities and (b) were properly classified.

A-2 Allowable Costs: Construction

Compliance Requirement

LEAs that receive payments under Section 8003 of the ESEA and that meet certain other statutory criteria may receive formula assistance under Section 8007(a) of the ESEA in any fiscal year that the Congress appropriates funds under that Section.

LEAs must use the payments provided under Section 8007(a) for construction, as defined in Section 8013(3) of the ESEA.

Under Section 8013(3), the term “construction” includes: (1) the preparation of drawings and specifications for school facilities; (2) erecting, building, acquiring, altering, remodeling, repairing, or extending school facilities; (3) inspecting and supervising the construction of school facilities; and (4) debt service for such activities (Sections 8007 and 8013(3) of ESEA).

Certain LEAs that receive payments under section 8002 or 8003 of the ESEA and that meet other statutory and regulatory criteria may receive discretionary grant assistance under Section 8007(b) of the ESEA. Selected grantees must use these funds for emergency or modernization construction grant expenditures, as specified in their grant award documents. Emergency and modernization are defined in 34 CFR section 222.176 and the allowable and unallowable uses of these funds are detailed in 34 CFR sections 222.172 through 222.174.

Audit Objective (LEA)

To determine whether the activities funded with Section 8007 funds were allowable.

Suggested Audit Procedure(s) (LEA)

Select a sample of expenditures and determine whether they were (1) for allowable activities and (2) were properly classified.

Review the General Ledger and other expenditure records to determine if costs were properly included in totals for program expenditures.

B. Davis-Bacon Act

Compliance Requirement

Funds spent on Section 8007 construction are subject to the Davis-Bacon Act prevailing wage requirements (20 USC 1232b).

Audit Objective

To determine if the prevailing wage requirements of the Davis-Bacon Act were met.

Suggested Audit Procedure(s) (LEA)

Review payments made to contractors and/or subcontractors to determine if the prevailing wage requirements of the Davis-Bacon Act were met.

C. Matching, Level of Effort, Earmarking

Compliance Requirement

Section 8003(d) funds may not supplant any State funds (either general or special education State aid) that were or would have been available to the LEA for the free, appropriate public education of federally connected children with disabilities counted under Section 8003(d). A reduction in the per-pupil amount of State aid for children with disabilities, including children counted under Section 8003(d), from that received in the previous year raises a presumption that supplanting has occurred. An LEA can rebut this presumption by demonstrating that the reduction was unrelated to the receipt of Section 8003(d) funds (Section 8003(d) of ESEA; 34 CFR section 222.54).

Audit Objective

To determine whether the use of the funds for services awarded under Section 8003(d) was supplementary to the services provided with state and local funds.

Suggested Audit Procedure(s)

Compare the LEA's prior year general state aid per pupil and state aid per pupil for children with disabilities with its current year state aid per pupil in those categories to determine if supplanting occurred.

Review procedures and records as necessary to ensure that the federal program did not supplant nonfederal funds and that nonfederal spending levels meet or exceed the federal program requirements.

D. Reporting

Compliance Requirement

Each year an LEA must submit the Application for Impact Aid - Section 8003 (OMB No. 1810-0036), which provides the following information: counts of federally connected children in various categories, membership and average daily attendance data, and information on expenditures for children with disabilities. Membership and average attendance data should be tested.

Audit Objective

To determine whether the LEA submitted the annual Application for Impact Aid and adequately reported data on membership and average attendance.

Suggested Audit Procedure(s)

The auditor should use professional judgment when determining which tables to test, taking into account the relative materiality of the number of children reported in other tables.

E. Special Tests and Provisions

Compliance Requirement

For each fiscal year, the amount of expenditures for special education and related services provided to federally connected children with disabilities must be at least equal to the amount of funds received or credited under Section 8003(d) of the ESEA for that fiscal year. This is demonstrated by comparing the amount of Section 8003(d) funds received or credited with the result of the following calculation:

a. Divide total LEA expenditures for special education and related services for all children with disabilities by the average daily attendance (ADA) of all children with disabilities served during the year.

b. Multiply the amount determined in a. above by the ADA of the federally connected children with disabilities claimed by the LEA for the year.

If the amount of section 8003(d) funds received or credited is greater than the amount calculated above, an overpayment equal to the excess section 8003(d) funds exists. This overpayment may be reduced or eliminated to the extent that the LEA can demonstrate that the average per pupil expenditure for special education and related services provided to federally connected children with disabilities exceeded its average per pupil expenditure for serving non-federally connected children with disabilities (Section 8003(d) of ESEA; 34 CFR section 222.53(d)).

Audit Objective

To determine whether the LEA met the required level of expenditure for providing special education and related services to federally connected children with disabilities.

Suggested Audit Procedures

Review the LEA's calculation to ascertain if it shows that the required level of expenditure for federally connected children was met. Check accuracy of calculation.

Trace amounts used in the calculation to supporting records.

If the LEA's calculation shows that an overpayment was made, verify that the average per pupil expenditure for federally connected children with disabilities exceeded the average per pupil expenditure for non-federally connected children to the extent of the overpayment.

SDE contact: none (direct aid)

Improving Teacher Quality, Title II, Part A

CFDA 84.367

I. Program Objective

The objective of the Improving Teacher Quality Program is to increase student academic achievement by improving teacher and principal quality and ensuring that all teachers are highly qualified.

II. Program Procedures

Improving Teacher Quality funds are awarded to the state following a submission of a consolidated state application or by submitting a separate program specific application to the U.S. Department of Education (USDE). The State Department of Education (SDE) then distributes 95 percent of the funds to the local school districts, after reserving up to one percent for administration costs incurred by the SDE and the Commission on Higher Education (CHE). The SDE also retains 2.5 percent of the funds for state-level program activities. The CHE receives 2.5 percent of the funds, or up to \$125 million among all institutions of higher education (IHE), to make competitive subgrants to eligible partnerships between IHEs and eligible school districts.

The amount of each school district allocation is based on the amount of funds the district received in FY 2001 under the former Eisenhower Professional Development and Class-Size Reduction programs and the district's share of any funds still remaining (according to a formula based on 20 percent relative population of children ages five through seventeen and 80 percent relative poverty of children ages five through seventeen from families with incomes below the poverty line).

III. Compliance Requirement(s), Audit Objective, and Suggested Audit Procedure(s)

Districts must maintain the level of their non-Federal fiscal effort in the prior year in order to receive a full allocation of Title II, Part A funds. The SDE calculates whether a district has maintained effort on the basis of either (a) the combined fiscal effort per student, or (b) the aggregate level of expenditures from local and state funds with respect to the provision of free public education for the preceding fiscal year.

Audit Objective

To determine whether districts used Title II, Part A funds for allowable purposes and if maintenance of local effort requirements were met.

Suggested Audit Procedure(s)

Conduct a random sample of district expenditures to determine that they were properly classified, allowable activities.

IV. Reporting Requirements

Each school district must report annually to the SDE the progress being made toward meeting the state's teacher quality goals. The SDE must report the information to the USDE.

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Individuals with Disabilities Education Act

SPECIAL EDUCATION STATE GRANTS

(Assistance to States for Education of Children with Disabilities)

CFDA 84.027

I. Program Objective

The objective of the assistance to states from the Individuals with Disabilities Education Act (IDEA) is to provide a free, appropriate public education to all children with disabilities.

II. Program Procedures

Grants are made to states following their submission of acceptable applications. The SEA, in turn, funds LEAs that submit applications to the SEA for approval.

III. Compliance Requirement(s) and Suggested Audit Procedure(s)

A. Eligibility

Compliance Requirement

Only children who are determined in accordance with State Board of Education regulations to be mentally disabled, hearing impaired, deaf, speech impaired, autistic, traumatic brain injured, visually impaired, seriously emotionally disabled, orthopedically impaired, other health impaired, specific learning disabled, deaf-blind, or multiple disabled and who, because of these impairments, need special education and related services are eligible for participation in this program and may be counted. (34 C.F.R. §§ 300.5(a), 300.530–543, 750–754)

Suggested Audit Procedure(s)

- Determine the above eligibility by using, individualized education programs (IEPs), or evaluations as appropriate, for all disability categories.
- A selected representative number of participating students in the LEA will be determined by the number of students with disabilities served by the LEA utilizing the following method:

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<u>Number of Pupils with Disabilities Served by LEA in Current Fiscal Year</u>	<u>Total Amount to Be Reviewed</u>	<u>Sample of Review</u>
0–1,500	25	3 EMD 2 TMD 1 PMD 1 TBI 3 ED 5 LD 1 VI 1 AU 1 HI 1 OI 5 Speech 1 Homebound
1,501–3,000	35	7 EMD 2 TMD 1 PMD 1 TBI 4 ED 8 LD 1 VI 1 AU 1 HI 1 OI 7 Speech 1 Homebound
3,001–4,500	45	8 EMD 3 TMD 1 PMD 1 TBI 4 ED 10 LD 2 VI 1 AU 2 HI 2 OI 10 Speech 1 Homebound
4, 501 and above	55	10 EMD 5 TMD 1 PMD 1 TBI 6 ED 12 LD 2 VI 1 AU 2 HI 2 OI 12 Speech 1 Homebound

- Select the required number of folders.
- Review the IEP to determine the category of disability as follows:

Educable Mentally Disabled (EMD)
Trainable Mentally Disabled (TMD)
Profoundly Mentally Disabled (PMD)
Traumatic Brain Injured (TBI)
Emotionally Disabled (ED)
Learning Disabilities (LD)
Visually Impaired (VI)
Hearing Impaired (HI)
Orthopedically Impaired (OI)
Speech Disabled
Homebound

In the event that the LEA does not have pupils served in any of the above areas, the area and number of folders to be reviewed should be deleted from the sample.

B. Matching, Level of Effort, and/or Earmarking Requirements

Compliance Requirement

The total amount or average per capita amount of state and local school funds budgeted by the local education agency for expenditures in the current fiscal year for the education of children with disabilities must be at least equal to the total amount or average per capita amount of state and local school funds actually expended for the education of children with disabilities in the most recent preceding fiscal year for which the information is available.

Allowance may be made for the following:

- the voluntary departure, by retirement or otherwise, of special education personnel, or the departure of such personnel for just cause;
- the termination of the obligation of the agency to provide a program of special education to a particular child with a disability that is an exceptionally costly program because the child
 - ⇒ has left the jurisdiction of the agency,
 - ⇒ has reached the age at which the obligation of the agency to provide free appropriate public education has terminated, or
 - ⇒ no longer needs such program of special education;

- a decrease in enrollment of children with disabilities; and
- unusually large amounts of funds expended for such long-term purposes as the acquisition of equipment and construction of school facilities. (34 C.F.R. § 300.230)

When the federal appropriations exceed \$4.1 billion, LEAs may use up to 20 percent of the increase to reduce their effort of the previous year.

Suggested Audit Procedure(s)

Compare the total expenditure for students with disabilities in the General Fund, the EIA Fund, and the Special Revenue Fund (excluding any federal dollars) for the audit period with the total expenditure for students with disabilities in these funds for the prior period. The total expenditure for the audit period must at least be equal to or greater than the total expenditure in the prior period. From each of these applicable funds, include *only* the following function codes:

Function Code 120 Series
Function Codes 131–138
Function Code 161 Autism
Function Code 210 Series
Function Code 221 Improvement of Instruction Curriculum Development
Function Codes 223–224
Function Codes 271 Pupil Service Activities

Allowance may be made for the following:

- the voluntary departure, by retirement or otherwise, of special education personnel, or the departure of such personnel for just cause;
- the termination of the obligation of the agency to provide a program of special education to a particular child with a disability that is an exceptionally costly program because the child
 - ⇒ has left the jurisdiction of the agency,
 - ⇒ has reached the age at which the obligation of the agency to provide free appropriate public education has terminated, or
 - ⇒ no longer needs such program of special education;
- a decrease in enrollment of children with disabilities; and
- unusually large amounts of funds expended for such long-term purposes as the acquisition of equipment and the construction of school facilities.

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Innovative Programs, Title V, Part A
Public Law 107–110

CFDA 84.298A

I. Program Purposes

The purposes of Title V, Part A are

- to support local educational reform efforts that are consistent with and support statewide education reform efforts
- to provide funding to enable state education agencies (SEAs) and local education agencies (LEAs) to implement promising educational reform programs and school improvement programs;
- to provide a continuing source of innovation and educational improvement, including support for library services and instructional and media materials;
- to meet the educational needs of all students, including at-risk youth; and
- to develop and implement education programs to improve school student, and teacher performance, including professional development activities and class size reduction programs.

II. Program Procedures

Title V, Part A funds are obtained by a state following its submission of an application or consolidated plan to the Secretary of Education that satisfies the application requirements as stipulated in the statute. The SEA distributes at least 85 percent of the funds to its LEAs that have filed an application that meets certain requirements. These funds are distributed to LEAs according to the relative enrollments in public and private nonprofit schools within the school districts of the LEAs, adjusted to provide higher per pupil allocations to those LEAs with children whose education imposes a higher than average cost per child. The criteria for making these adjustments must be approved by the Secretary of Education. LEAs have complete discretion, subject only to legal requirements, in determining the allocation of expenditures of Title V, Part A funds among the allowable program activities. (Title V, Part A, Subpart 1, Section 5112 (a) (1))

III. Compliance Requirement(s) and Suggested Audit Procedure(s)

In addition to the federal requirements, each SEA has the authority, in accordance with state law, to issue rules consistent with federal statutes and regulations. The auditor is encouraged to review these rules prior to beginning the audit.

A. Types of Services Allowed

Compliance Requirement

An LEA may use Title V, Part A funds to support one or more of the innovative assistance programs described in Section 5112(a), which include

- programs to recruit, train, and hire teachers to reduce class size, and professional development activities carried out in accordance with Title II;
- technology activities related to the implementation of school-based reform efforts, including professional development for school personnel in regard to how to use technology effectively in the classrooms and the school library media centers involved;
- programs for the development or acquisition and use of instructional and educational materials, including library services and materials, media materials, academic assessments, reference materials, computer software and hardware for instructional use, and other curricula materials that are tied to high academic standards which will be used to improve student academic achievement and are a part of an overall education reform program;
- promising education reform projects, including magnet schools;
- programs to improve the academic achievement of educationally disadvantaged students, including drop-out prevention activities;
- programs to improve the literacy skills of adults, especially the parents of children served by the LEA, including adult education and family literacy programs;
- programs to provide for the educational needs of gifted and talented children;
- the planning, design, and initial implementation of charter schools as described in Part B of Title V;
- school improvement programs or activities as described in Sections 1116 and 1117 of Title I;
- community service programs that use qualified school personnel to train and mobilize young people to measurably strengthen their communities through nonviolence, responsibility, compassion, respect, and moral courage;
- activities to promote consumer, economic, and personal finance education;
- activities to promote, implement, or expand public school choice;
- programs to hire and support school nurses;
- expansion and improvement of school-based mental health services, including early identification of drug use and violence, assessment, and direct individual and group

counseling services provided to students, parents, and school personnel by qualified school-based mental health services personnel;

- alternative educational programs for suspended/expelled students, and programs to assist reentry of these students to the regular educational setting;
- programs to establish or enhance Pre-Kindergarten programs;
- academic intervention programs that are operated jointly with community based organizations and that support academic enrichment, and counseling programs conducted during the school day (including extended school day or extended school year programs) for students most at risk of not meeting state academic achievement standards or not completing secondary school;
- programs for cardiopulmonary resuscitation (CPR) training in schools;
- programs to establish smaller learning communities;
- activities that encourage and expand improvements throughout the area served by the LEA that are designed to advance student academic achievement;
- initiatives to generate, maintain, and strengthen parental and community involvement;
- programs and activities that expand learning opportunities through best practice models designed to improve classroom learning and teaching;
- programs to provide same gender schools and classrooms (consistent with applicable law);
- service learning activities;
- school safety programs;
- programs that employ research-based cognitive and perceptual development approaches and rely on a diagnostic-prescriptive model to improve students' learning of academic content; and
- supplemental educational services as defined in Section 1116(e) of Title I.

Suggested Audit Procedure(s)

- Evaluate the adequacy of the policies and procedures developed by the LEA for the use of Title V, Part A funds.
- Ensure that the LEA uses funds for targeted assistance programs.
- Determine if actual expenditures of funds are for targeted assistance programs and are in accordance with the LEA's application.

B. Eligibility

The auditor is not expected to make tests for eligibility.

C. Reporting Requirements

Compliance Requirement

An LEA must report annually to the SEA on the LEA's use of Title V, Part A funds and must provide any other information as may reasonably be required for program evaluation consistent with the SEA's responsibilities. (Section 5133)

Suggested Audit Procedure(s)

- Evaluate the adequacy of the policies and procedures used by the LEA to ensure accurate, complete, and timely reporting to the SEA to ensure that the LEA complies with the reporting requirements.
- Test to determine if the LEA complied with the reporting requirements.

D. Special Tests and Provisions

Compliance Requirement

An LEA may use Title V, Part A funds only to supplement, and in no case to supplant, nonfederal funds that would, in the absence of Title V, Part A funds, be made available. (Section 5144)

Suggested Audit Procedure(s)

- Evaluate the adequacy of the policies and procedures used by the LEA to ensure that Title V, Part A funds expended by the LEA are used to supplement and not to supplant nonfederal funds in order to ensure compliance with this provision.
- Determine if the LEA follows prescribed policies and procedures to ensure that Title V, Part A services provided and funds expended by the LEA supplement nonfederal funding.
- Check to see if services currently paid with Title V, Part A funds were previously paid from nonfederal sources or if Title V, Part A funds are used for services required by state or federal law; either is a violation.

Compliance Requirement

An LEA shall provide children enrolled in private nonprofit elementary and secondary schools in the school district of the LEA with secular, neutral, and nonideological services, materials, and equipment or other benefits that will ensure equitable (as compared to children enrolled in public schools) participation of private school children in the purposes and benefits of Title V, Part A.

Suggested Audit Procedure(s)

- Evaluate the adequacy of the policies and procedures used by the LEA for determining the numbers and needs of children in private schools to ensure that the services provided to children enrolled in private nonprofit elementary and secondary schools are equitable as compared to services provided to children enrolled in public schools.
- Ascertain the amount of Title V, Part A expenditures for services to private school children and determine whether those expenditures are equal (consistent with the number of children to be served) to expenditures for Title V, Part A services for public school children, taking into account the needs of the individual children and other factors that relate to such expenditures in accordance with Section 5142.
- Determine if the LEA followed policies and procedures and provided equitable services.

Compliance Requirement

An LEA may obligate Title V, Part A funds only during the federal fiscal year for which the funds were appropriated and during the succeeding federal fiscal year.

Suggested Audit Procedure(s)

- Document the policies and procedures established for obligating Title V, Part A funds.
- Evaluate the adequacy of these procedures to ensure that Title V, Part A funds are obligated within the period of availability.
- Test to determine if the prescribed policies and procedures were adhered to and if Title V, Part A funds were properly obligated within the period of availability.

Compliance Requirement

An LEA must retain records, for audit and evaluation, for five years after completion of the project activity or until audit resolution is complete.

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Suggested Audit Procedure(s)

- Review procedures for retention of records to check their adequacy.
- Review correspondence to determine whether there were any instances of required records not being available.

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Language Instruction for Limited English Proficient and Immigrant Students, Title III

BASIC STATE GRANT PROGRAM

CFDA 84.365

I. Program Objective

The objectives of the Title III English Language Acquisition—Basic State Grant Program are to ensure that limited English proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same challenging State academic content and student academic achievement standards as all children and youth are expected to meet; to provide assistance to Native American, Native Hawaiian, Native American Pacific Islander, and Alaska native Children with certain modifications relative to the unique status of native American language under Federal Law; and to develop to the extent possible, the native language skills of such children.

II. Program Procedures

Title III funds are obtained by the state following its submission of an application or consolidated plan to the Secretary of Education to provide language instruction for limited English proficient and immigrant students as stipulated in the statute. The SEA distributes at least 95 percent of the funds to LEA's that have filed an application that meets certain requirements as described in Title III law. Minimum grants are in the amount of \$10,000 and allocations are based upon the number of LEP students enrolled in public and private schools in the LEA or in LEAs joining into consortia to apply for Title III funding.

III. Compliance Requirement(s) and Suggested Audit Procedure(s)

A. Types of Services Allowed or Disallowed

Compliance Requirement

States must use at least 95 percent of their allotments to award local educational agencies subgrants to assist limited English proficient students learn English and meet challenging State academic content and student achievement standards and to provide immigrant students enhanced instructional opportunities. States may reserve up to 5 percent of their allotments for administrative costs and technical assistance to subgrantees. The Department awards allotments to outlying areas for activities including developing instructional programs for LEP students by hiring tutors, conducting professional development for paraprofessionals, teachers in training and in-servicing teachers, hiring teachers for "new-comer" programs, purchasing and developing materials to be used in the classroom for ELL instruction, etc. Native American applicants funds are used to increase English proficiency and student academic achievement for (LEP) students and provide high-quality professional development training for teachers and support personnel. Training must improve teacher instruction and assessment capabilities, and enhance their ability to understand and use curricula, assessment measures, and instruction strategies for LEP students. Training must also be

based upon scientifically based research and be of sufficient intensity and duration as to have a positive and lasting impact. Funds may also be used for identifying, acquiring, and upgrading curricula, instruction materials, educational software, and assessment procedures. This program is subject to non-supplanting requirements and must use a restricted indirect cost rate that is referenced under 34 CFR 76.564-76.569.

Suggested Audit Procedure(s)

- Evaluate the adequacy of the policies and procedures used by the LEA to ensure accurate, complete, and timely reporting to the SEA to ensure that the LEA complies with all reporting requirements.

Compliance Requirement

An LEA may use Title III funds only to supplement, and in no case to supplant, nonfederal funds that would, in the absence of Title III funds, be made available. (SEC.3115(g))

Suggested Audit Procedure(s)

- Evaluate the adequacy of the policies and procedures used by the LEA to ensure that Title III funds expended by the LEA are used to supplement and not supplant nonfederal funds in order to ensure compliance with this provision.
- Review the procedures established by the SEA and its local educational agencies to ensure the accuracy of the state's annual count of eligible LEP and immigrant children.

B. Special Tests and Provisions

Compliance Requirement

SEAs and LEAs are required (a) to assess the effectiveness of their program in providing LEP children with the opportunity to meet the challenging state academic content and academic achievement standards the state has established for all children and (b) to use the results of these assessments to improve the services provided to migratory children.

LEAs are expected to use the same yearly assessments that the state has established under Part A of Title I of NCLB 2001. Additionally, Title III requires an annual assessment of LEP students' English proficiency.

Suggested Audit Procedure(s)

- Verify that the SEA and its subgrantees (LEAs) have processes in place (a) to assess the effectiveness of programs for LEP students and (b) to use the assessment information to improve services.
- Verify that LEP children who are enrolled in the LEA when the state-established assessment takes place are included in the state-established assessment. Further determine that the LEP sub-group makes Annual Yearly Progress targets as required for all students in the state.
- Verify that LEP students take the English proficiency assessment annually and meet the Annual Measurable Achievement Objectives for making progress in learning English and for becoming proficient in English.

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Migrant Education, Title I, Part C

BASIC STATE GRANT PROGRAM

CFDA 84.011

I. Program Objective

The objectives of the Migrant Education—Basic State Grant Program (MEP) are

- to support high-quality and comprehensive educational programs for migratory children to help reduce the educational disruptions and other problems that result from repeated moves;
- to ensure that migratory children who move among the states are not penalized in any manner by disparities among the states in curriculum, graduation requirements, and state academic content and student academic achievement standards;
- to ensure that migratory children are provided with appropriate educational services (including support services) that address the special needs of migratory children in a coordinated and efficient manner;
- to ensure that migratory children receive full and appropriate opportunities to meet the same challenging state academic content and student academic achievement standards that all children are expected to meet;
- to design programs to help migratory children overcome educational disruption, cultural and language barriers, social isolation, various health-related problems, and other factors that inhibit the ability of such children to do well in school, and to prepare such children to make a successful transition to postsecondary education or employment; and
- to ensure that migratory children benefit from state and local systemic reforms.

II. Program Procedures

Funds are allocated to a state education agency (SEA), under either an approved consolidated program plan or an approved individual program application, in order for the SEA to provide migrant educational program services and activities either directly or through subgrants to local operating agencies (LOAs) or other public or private nonprofit agencies. Because an SEA may choose to provide program services directly or through an LEA or other operating agency, some of the suggested audit procedures will apply for an SEA, LEA or LOA, depending on which agency provides the services and where the records are maintained.

III. Compliance Requirement(s) and Suggested Audit Procedure(s)

A. Types of Services Allowed or Disallowed

Compliance Requirement

Except as noted in section C below, funds available under Part C of Title I of the Elementary and Secondary Education Act (ESEA) may be used only to identify eligible migratory children and their needs and to provide educational and support services (including, but not limited to, preschool services, professional development, parental involvement activities and the acquisition of equipment) that address the identified needs of the eligible children. (Pub. L. No. 107-110, §§ 1301, 1304(c), 1306(b))

An SEA may use program funds to carry out administrative activities that are unique to the program. These activities might include statewide identification and recruitment of migratory children, interstate and intrastate program coordination, transfer of student records, collecting and using information to make subgrants, and direct supervision of instructional or support.

Suggested Audit Procedure(s)

- Test expenditure and related records to determine whether funds were used for allowable purposes, taking into consideration the exceptions in section C, “Supplement, Not Supplant,” below.

Compliance Requirement

SEAs and LOAs must give priority for services to migratory children who are either failing or most at risk of not meeting the state’s challenging state academic content standards and challenging state student academic achievement standards and whose education has been interrupted during the regular school year. (Pub. L. No. 107-110, § 1304(d))

Suggested Audit Procedure(s) (SEAs and LOAs)

- Review the process used by the SEA and subgrantees to identify and give priority for services those migratory children who are failing, or most at risk of failing, to meet the state’s challenging content and academic achievement standards and whose education has been interrupted during the regular school year.

B. Eligibility

The auditor is not expected to test for eligibility for receipt of services.

C. Supplement, Not Supplant

An SEA and an LEA may use program funds only to supplement and, to the extent practical, increase the level of funds that would, in the absence of the federal funds, be made available from nonfederal sources. In no case may an LEA use federal program funds to supplant funds from nonfederal sources.

See the program section of the compliance supplement for ESEA programs (June 1996) concerning exclusions from the supplement-not-supplant requirement specific to the Title I, Part A (grants to LEAs) program. [Title I, Section 1120A(b) of ESEA (20 U.S.C. § 6322(b)) and Section 1304(c)(2) of ESEA (20 U.S.C. § 6394(c)(2)); Title VI, Section 6401(b) of ESEA (20 U.S.C. § 7371(b))]

Suggested Audit Procedure(s) (SEA and LEA)

- Determine whether the SEA and LEAs have internal controls in place to ensure that federal funds are used only to supplement, not supplant, nonfederal funds.
- Test to determine whether the SEA and LEAs used federal funds only to supplement, not supplant, nonfederal funds.

D. Special Reporting Requirements

Compliance Requirement

SEAs and operating agencies must develop information and maintain records that confirm the eligibility of each child identified for purposes of MEP funding.

Suggested Audit Procedure(s) (SEA and LOA)

Determine that procedures are in place at the SEA and LOA level to collect and maintain documentation regarding the eligibility of the identified migratory children.

Compliance Requirement

The SEA is required to assist the United States Department of Education in determining the number of eligible migratory children for allocation purposes using such procedures as the Department requires. Under Department procedures, each SEA is required to provide annually an unduplicated count of eligible migratory children in each of two categories: (1) identified children ages three through twenty-one who resided in the state for one or more days (2) migrant children who were served in a migrant funded project conducted during either the summer term or an intercession period (i.e., when a year-round school was not in session). The SEA must implement procedures, based on the eligibility documentation that it and its subgrantees collect and maintain, to count eligible children in these two categories. (Pub. L. No. 107-110; Title I, Section 1304(c)(7) of the No Child Left Behind Act (NCLB) 2001).

Suggested Audit Procedure(s) (SEAs and LOAs)

- Review the procedures established by the SEA and its local operating agencies to ensure the accuracy of the state's annual unduplicated count of eligible migratory children in each of the two categories.

E. Special Tests and Provisions

Compliance Requirement

SEAs and LOAs are required (a) to assess the effectiveness of their programs and projects in providing migratory children with the opportunity to meet the challenging state academic content and academic achievement standards the state has established for all children and (b) to use the results of these assessments to improve the services provided to migratory children.

Where possible, SEAs and LOAs are expected to use the same yearly assessments that the state has established under Part A of Title I of NCLB 2001. Where it is not possible to use the assessments established under Title I, Part A (e.g., in a summer-only project or in a project where no migratory children are enrolled at the same time the state-established assessment takes place), the SEA must ensure that the LOA carries out some other reasonable process for examining the effectiveness of the project. (34 C.F.R. §§ 200.4, 200.42, and 200.43)

Suggested Audit Procedure(s) (SEAs and LOAs)

- Verify that the SEA and its subgrantees (LOAs) have processes in place (a) to assess the effectiveness of programs and projects and (b) to use the assessment information to improve services.

Suggested Audit Procedure(s) (LEAs)

- Verify that eligible migratory children who are enrolled in the LEA when the state-established assessment takes place are included in the state-established assessment.

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Preschool Grants Program

CFDA 84.173

I. Program Objective

The objective of the IDEA Preschool Grant program is to assist states in providing a free and appropriate public education to all children with disabilities, ages three, four, and five.

II. Program Procedures

Grants are made to states following their submission of an acceptable application based on a certified December 1 count of children with disabilities ages three, four, and five receiving special education and related services. The SEA, in turn, funds LEAs, Head Starts, and state-operated programs that have approved applications to the SEA for funding.

III. Compliance Requirement(s) and Suggested Audit Procedure(s)

A. Eligibility

Compliance Requirement

Only children ages three, four, and five who have been determined to have a disability and who, because of this impairment, need special education and related services are eligible for participation in this program and may be counted by 34 C.F.R. § 300.5(a), 300.530–543, and 750–754.

Suggested Audit Procedure(s)

- §§ (IEPs), or evaluations, as appropriate for all areas of disability categories.

Placement Criteria for Preschool Children with Disabilities

- Preschool children with disabilities will meet the criteria specified in section 59-36-30, “Preschool Programs for Children with Disabilities,” of the Code of Laws of South Carolina (1990).
- Monitoring in those LEAs/Agencies that serve both school-age and preschool children with disabilities, at least three (3) preschool children with disabilities must be included in the sample, with at least one (1) folder from each age level served. Therefore, at least one (1) three-year-old, one (1) four-year-old, and one (1) five-year-old will be included in each sample. The remaining two (2) folders will be selected in proportion to the number of children served in each age group.

B. Matching, Level of Effort, and/or Earmarking Requirements

Funds shall be used to supplement and increase the level of state and local funds expended for the education of children with disabilities and in no case supplant state and local funds. (34 C.F.R. § 300.230, (1997)).

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Reserve Officers' Training Corps

(CFDA N/A)

I. Program Objective

The objective of the Reserve Officers' Training Corps (ROTC) is to provide instruction and training for high school-aged students in military procedures. The program is offered as an elective to students who are considering a military career.

II. Program Procedures

ROTC instructors must be retired from the particular branch of service they instruct. The local school district submits a project application to the specific branch of service for funding an ROTC instructor. The application must include the instructor's name and Social Security number. The particular branch of service forwards to the school district the amount of money based upon the number of instructional days the instructor will be employed by the school district.

III. Compliance Requirement(s) and Suggested Audit Procedure(s)

The auditor is expected to ascertain that the instructor, as noted in the project application, actually received compensation by reviewing the employee's earnings record.

SDE contact: none (direct aid)

Rural Education Achievement Program—REAP, Title VI

PART B, SUBPART 2, RURAL AND LOW INCOME SCHOOL PROGRAM

CFDA 84.358B

I. Use of Funds—Section 6222

- teacher recruitment and retention, including the use of signing bonuses and other financial incentives;
- teacher professional development;
- educational technology (software and hardware) as described in part D of Title II;
- parental involvement activities;
- activities authorized under the Safe and Drug-Free Schools program under Part A of Title IV;
- activities authorized under Part A of Title I; and
- activities authorized under Title III.

II. Program Procedures

- an LEA is eligible to receive a grant of 20 percent or more if it's students are from families with incomes below the poverty line; and
- all schools served by the LEA are designated with a school locale code of 6, 7, or 8.

III. Reporting Requirements

Compliance Requirement

An LEA must report annually to the SEA on the LEA's use of Title VI, Part B funds and must provide any other information as may reasonably be required for program evaluation consistent with the SEA's responsibilities. (Section 5133)

Suggested Audit Procedure(s)

- Evaluate the adequacy of the policies and procedures used by the LEA to ensure accurate, complete, and timely reporting to the SEA to ensure that the LEA complies with the reporting requirements.

- Test to determine if the LEA complied with the reporting requirements.

IV. Special Tests and Provisions

Compliance Requirement

An LEA may use Title VI, Part B funds only to supplement, and in no case to supplant, nonfederal funds that would, in the absence of Title VI, Part B funds, be made available. (Section 5144)

V. Suggested Audit Procedures

- Document the policies and procedures established for obligating Title VI, Part B funds.
- Evaluate adequacy of these procedures to ensure that Title VI, Part B funds are obligated within the period of availability.
- Test to determine if the prescribed policies and procedures were adhered to and if Title VI, Part B funds were properly obligated within the period of availability.

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Safe and Drug-Free Schools State Grants, Title IV

CFDA 84.186A

(also known as State Grants for Drug and Violence Prevention Programs)

I. Program Objective

The purpose of the Safe and Drug-Free School State Grants authorized by the Safe and Drug-Free Schools and Communities Act (SDFSCA), contained in Title IV of the ESEA, is to support programs to meet the seventh National Education Goal by preventing violence in and around schools and by strengthening programs that prevent the illegal use of alcohol, tobacco, and drugs; that involve parents; and that are coordinated with related federal, state, and community efforts and resources. Subpart 1 of the SDFSCA provides federal assistance to states for

- grants to local education agencies (LEAs) and education service agencies and consortia to establish, operate, and improve local programs of drug and violence prevention, early intervention, rehabilitation referral, and education in elementary and secondary schools (including intermediate and junior high schools);
- grants to, and contracts with, community-based organizations and other public and private nonprofit agencies and organizations for programs of drug and violence prevention, early intervention, rehabilitation referral, and education; and
- development, training, technical assistance, and coordination activities.

II. Program Procedures

In general, SDFSCA funds are allocated to states based on their relative share of school-aged population and Title I funds. Of each state's annual allocation amount, 80 percent is awarded to the state education agency (SEA) for programs described in Section 4113 of the SDFSCA, and 20 percent is awarded to the Governor for programs described in Section 4114 of the SDFSCA.

SEAs may use a small portion (3% thereafter) of the funds they receive for administrative activities and the remainder for conducting state-level program activities. The majority of the funds received by an SEA must be distributed to LEAs for drug- and violence-prevention activities.

Governors also may use a portion of the funds they receive for administration. Excluding the percentage of funds reserved for administration, governors must make grants to, or enter into contracts with eligible, entities for drug- and violence-prevention activities. In addition, a portion of the Governor's funds must be used for law enforcement education partnerships. Governors may have another state agency, including an SEA, administer the program on their behalf. No matter who administers the program, it remains the responsibility of the Governor's Office. (Sections 4113 and 4114 of SDFSCA)

III. Compliance Requirement(s), Audit Objectives, and Suggested Audit Procedure(s)

The following is the explanation of waivers in Cross-Cutting Provisions of the ESEA Compliance Supplement (Part II, “ESEA Procedures”):

Applicable programs: Title I/Part A; MEP [Migrant Education Program]; Eisenhower; SDFSCA [Safe and Drug-Free Schools and Communities Act] (except the Governor’s Program authorized under Section 4114); Title VI; Bilingual

Under Title XIV of ESEA, States, LEAs, and schools through an LEA may request waivers from ED of many of the statutory and regulatory requirements of programs authorized in ESEA. The Goals 2000: Educate America Act and the School to Work Opportunities Act also provide waiver authority. In addition, under the educational flexibility (Ed-Flex) demonstration program of Goals 2000, the Secretary has delegated to some SEAs the authority to waive certain Federal statutory or regulatory requirements affecting the state and its districts and schools. In conducting an audit, auditors should ascertain from the audited SEA and LEAs whether ED (or an SEA, if an Ed-Flex State) has granted any written waivers to the state or the LEAs.

A. Types of Services Allowed or Disallowed

Compliance Requirement

Part III, Section C, of the Cross-Cutting Provisions describes options for transferring ESEA program funds to other ESEA programs, to coordinated services projects, and to consolidated administrative funds.

An LEA may use SDFSCA funds to carry out a broad range of drug- and violence-prevention programs. The SDFSCA provides a general framework for LEA prevention efforts by requiring that SDFSCA funds be used to support comprehensive drug- and violence-prevention programs that are designed for all students and employees to

- prevent the use, possession, and distribution of tobacco, alcohol, and illegal drugs by employees;
- prevent violence;
- promote school safety;
- create a disciplined environment conducive to learning; and
- include activities to promote the involvement of parents and coordination with community groups and agencies.

The list (see below) of authorized activities found in Section 4116(b) of the SDFSCA is broad and does not exclude other activities that may be carried out by the LEA, consistent with the purposes of SDFSCA. Such activities specifically include mentoring and before- and after-school instructional, recreational, cultural, and artistic programs. Note that comprehensive school health education activities may be implemented only to the extent that such activities are part of an LEA’s comprehensive drug and violence prevention program. (20 U.S.C. § 7116(b))

An LEA may not use SDFSCA funds for construction or for providing medical services, drug treatment, or rehabilitation. As Section 4133 of the SDFSCA states, pupil services or referral to treatment for students who are victims of or witnesses to crime or who use alcohol, tobacco, or drugs are not included in the prohibition. (20 U.S.C. § 7133) An LEA may use 2 percent of their SDFSCA funds for administrative activities. The remainder must be utilized for program activities.

Authorized Activities Listed in Section 4115

- Each program or activity shall be developed to meet the principles of effectiveness by the following:
 - a. be based upon an assessment of objective data regarding the incidence of violence and illegal drug use in the elementary and secondary schools and communities to be served, including an objective analysis of the current conditions and consequences regarding violence and illegal drug use, including delinquency and serious discipline problems among students who attend such schools (includes private schools who participate) that is based on ongoing local assessment or evaluation activities;
 - b. be based upon an established set of performance measures aimed at ensuring that the elementary and secondary schools and communities to be served by the program have a drug-free, safe and orderly learning environment;
 - c. be based upon **scientifically based research (see page 969 for the definition)*** that provides evidence that the program to be used will reduce violence and illegal drug use. [Note: A LEA may request a waiver from this requirement by applying to the state for a waiver to allow innovative activities that demonstrate substantial likelihood of success];
 - d. be based on an analysis of data reasonably available at the time, of the prevalence risk factors, including high or increasing rates of reported cases of child abuse and domestic violence; protective factors, buffers or assets or other variables identified through scientifically based research in schools and communities in the state; and
 - e. include meaningful and ongoing consultation with input from parents in the development of the application and administration of the program or activity. Periodic Evaluation: The program or activity shall undergo a periodic evaluation to assess its progress toward reducing violence and illegal drug use in schools to be served based on performance measures. The results shall be used to refine, improve and strengthen the program and to refine the performance measures and must be made available to the public upon request.

Audit Objective (LEA)

To determine if SDFSCA funds were used for authorized LEA activities.

Suggested Audit Procedure(s) (LEA)

- Select a sample of expenditures and determine whether they (a) were for allowable activities and (b) were properly classified.

B. Matching Level of Effort and/or Earmarking Requirements

Compliance Requirement

An LEA may acquire and install metal detectors and hire security personnel as authorized activities under SDFSCA. However, (a) LEAs may not use more than 20 percent of their SDFSCA funds for capital outlay, including acquiring or installing metal detectors, or supporting “safe zones of passage” for students between home and school; they may not use more than 40 percent of their SDFSCA funds for hiring school resource officers; and (b) LEAs may use funding for these purposes only if funding for such activities is not received from other federal agencies. (Section 4116(c) of SDFSCA; 20 U.S.C. § 7116(c))

Audit Objective (LEA)

To determine that the LEA has used SDFSCA funds in accordance with above requirements.

Suggested Audit Procedure(s) (LEA)

- Review the General Ledger or other records that accumulate activity costs for the grant to determine whether the amounts recorded did not exceed maximum allowable amounts

C. Special Tests and Provisions

Compliance Requirement

An LEA may retain up to 25 percent of its fiscal year allocation for obligation in the next federal fiscal year. If an LEA wishes to retain an amount greater than 25 percent of its fiscal year allocation for use in a succeeding year, it must demonstrate good cause for such a carryover to its SEA, and the SEA must approve the request for additional carryover. (Section 4113(f) of SDFSCA (20 U.S.C. § 7113(f))

Audit Objective (LEA)

To determine that the LEA carried over no more than 25 percent of its fiscal year allocation unless approved by the SEA

DRAFT

Suggested Audit Procedure(s) (LEA)

- Review expenditure records for a sample of LEAs and test whether no more than 25 percent of the previous fiscal year's allocation amounts were retained for obligation in the succeeding fiscal year, unless the LEA received SEA approval.

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SC Reading First—Local Reading Improvement, Title I**CFDA 84.357****I. Program Objective**

The purpose of South Carolina Reading First is to ensure that all children can read at grade level or above by the end of third grade. The South Carolina Reading First program will provide the necessary assistance to qualifying districts based on scientifically based reading research for students in kindergarten through third grade. South Carolina Reading First funds will also focus on providing significantly increased teacher professional development to ensure that all teachers, including special education teachers, have the skills they need to teach these programs effectively. Additionally, the program provides assistance to districts in preparing classroom teachers to effectively screen, identify and overcome reading barriers facing their students.

II. Program Procedures

South Carolina Reading First grants were distributed to districts using specific criteria. Eligible districts applied to the State Department of Education for grants under a competitive grant process. Application review began in December 2003 with approval of grants announced January 9, 2004.

III. Source of Governing Requirements

Title I, Part B, Sub part 1 of the Elementary and Secondary Education Act of 1965 as amended by the No Child Left Behind Act of 2001 (20 USC 6361 *et seq.*) authorized the South Carolina Reading First program.

IV. Compliance Requirement

Federal funds can be used only for costs that are in accordance with the conditions contained in the subgrant application.

A. Activities Allowed

Local Education Agencies (LEAs)

- a. Instructional reading assessments – Selection and administration of screening, diagnostic, and classroom-based instructional reading assessments (with proven validity and reliability) (20 USC 6362(c)(7)(A)(i)).
- b. Reading program – Selection and implementation of a program of reading instruction based on scientifically based reading research that includes the essential components of reading instruction and provides such instruction to children in kindergarten through grade three in the schools served by the LEA (20 USC 6362(c)(7)(A)(ii)).

- c. Instructional materials – Selection and implementation of instructional materials, including educational technology such as software and other digital curricula, that are based on scientifically based reading research (20 USC 6362(c)(7)(A)(iii)).
- d. Professional development – Professional development for teachers of kindergarten through grade 3 and special education teachers of kindergarten through grade 12 that will prepare these teachers and other instructional staff in all of the essential components of reading instruction. Professional development must be provided that will assist teachers in becoming fully qualified for reading instruction in accordance with the requirements of section 1119. Providers of professional development must base training in reading instruction on scientifically based reading research (20 USC 6362(c)(7)(A)(iv)).
- e. Evaluation strategies – Collection and summary of valid and reliable data to document the effectiveness of Reading First in individual schools and in the LEA as a whole and to stimulate and accelerate improvement by identifying the schools that produce significant gains in reading achievement (20 USC 6362(c)(7)(A)(v)).
- f. Reporting – Reporting data for all students and categories of students described in the State’s Title I adequate yearly progress definition (20 USC 6362(c)(7)(A)(vi))
- g. Access to reading material – Promotion of reading and library programs that provide access to engaging reading material (20 USC 6362(c)(7)(A)(vii)).
- h. Additional uses – Additional activities for which an LEA may use Reading First funds, provided they are based on scientifically based reading research and align with the LEA’s overall Reading First plan. These activities must be identified and approved in the State’s Reading First plan (20 USC 6362(c)(7)(B)).

B. Suggested Audit Procedure(s)

- Review the South Carolina Reading First award.
- Administrative costs are not to exceed 3 percent of the total grant award.
- Test the expenditures and related records.

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Title I, Part A, Grants to Local Education Agencies

CFDA 84.010

I. Program Objective

Title I, Part A of ESEA, as amended, provides supplemental financial assistance to local education agencies (LEAs) through state education agencies (SEAs) to improve the teaching and learning of children who are at risk of not meeting challenging academic standards and who reside in areas with high concentrations of children from low-income families.

II. Program Procedures

ED provides Title I, Part A funds to each SEA through a statutory formula based primarily on the number of children ages five through seventeen from low-income families that are counted in the most recent decennial census. This number is adjusted for the cost of education in each state. To receive funds, an SEA must submit to ED for approval either (a) an individual state plan as provided in Section 1111 of the ESEA or (b) a consolidated plan that includes Part A, in accordance with Section 14302 of the ESEA. The individual or consolidated plan, after approval by ED, remains in effect for the duration of the state's participation in Title I, Part A but must be updated to reflect substantive changes.

LEAs allocate Title I funds to eligible school attendance areas based on the number of children from low-income families residing in the attendance area. An individual school receiving funds identifies students who are failing, or most at risk of failing, to meet state challenging performance standards and who have the greatest need. The school then designs, in consultation with parents, staff, and the LEA, an instructional program to meet the needs of those students.

III. Compliance Requirement(s) and Suggested Audit Procedure(s)

A. Eligibility

A-1 School attendance area and eligibility and allocations

Compliance Requirement

An LEA must determine which school attendance areas are eligible. Generally, only those above the poverty rate for the LEA as a whole or a poverty rate above 35 percent are eligible. An LEA may also designate and serve a school serving an ineligible attendance area if the percentage of children from low-income families enrolled in that school is equal to or greater than the percentage of such children in a participating school attendance area. When determining eligibility, an LEA must select a poverty measure from among the data sources specified in Section 1113(a)(5) of Title I and use that measure consistently across the district to rank all its school attendance areas according to their percentage of poverty. An LEA must serve those areas or schools above 75 percent poverty, including any middle or high schools, as long as funds are available. After an LEA has served all areas and schools with a poverty rate above 75 percent, the

LEA may serve areas and schools with 75 percent poverty rate or less by grade span or continue with the districtwide ranking. In grade span groupings, schools may be identified by the 35 percent rule, grade span, or percentage of poverty. An LEA with an enrollment of less than 1,000 students or with one school per grade span is not required to allocate funds to areas or schools in rank order.

If an LEA serves any attendance area with less than a 35 percent poverty rate, it must allocate an amount for each area that equals at least 125 percent of the LEA's Title I allocation per poor child. If an LEA serves only areas with a poverty rate 35 percent or greater, the LEA is not required to allocate a per-pupil amount of at least 125 percent. An LEA may not allocate a higher amount per child to areas or schools with lower percentages of poverty than to areas with higher percentages. If an LEA ranks and serves areas or schools below 75 percent poverty by grade span, the LEA may determine different amounts per poor child for different grade spans as long as those amounts do not exceed the amount allocated to any area or school above 75 percent poverty. Amounts per poor child within grade spans may also vary as long as the LEA allocates higher amounts per poor child to higher poverty areas or schools within the grade span than it allocates to lower poverty areas or schools. This requirement does not apply to an LEA that has only one school for each grade span. An LEA with an enrollment of less than one thousand (1,000) students is also excluded from this requirement. (Title I, Section 1113 of ESEA (20 U.S.C. § 6313); 34 C.F.R. §§ 200.27– 200.28)

Suggested Audit Procedure(s) (LEA)

- Review and test LEA procedures and data used to ascertain if the LEA determined school attendance area or school eligibility in accordance with the statute and regulations.
- Review and test LEA allocation procedures to determine that funds were distributed based on the number of poor children in accordance with the statute and regulations.

A-2 Generating funds for services to eligible private school children

Compliance Requirement

In allocating Title I funds to a participating eligible school attendance area as provided in Section 1113(c), an LEA must base that allocation on the *total* number of children from low-income families, including low-income children who reside in the area and attend private schools. Thus the LEA, in consultation with private school officials, must obtain the best available poverty data on private school children who reside in participating school attendance areas. LEAs have flexibility in the methods used to collect poverty data on private school children.

For example, an LEA could use

- data from the same source for children in both public and private schools;
- poverty data for private school children that are from a different source than the data used for public school children but are generally comparable in terms of income levels;
- extrapolated data on the number of low-income private school children based on actual data from a representative sample of private school children;
- correlated data that show the relation between two known data sources of public school poverty data on public school children, which is then applied to a known source of data on private school children; and
- Proportional data based on the poverty percentage of each public school attendance area applied to the total number of private school children who reside in that area. Section 1120(a)(4) of the Title I statute permits an LEA to determine the number of children from low-income families who attend private schools each year or every two years.

The LEA must reserve the amounts generated by poor private school children who reside in participating public school attendance areas. In consultation with private school officials, an LEA may choose to allocate Title I resources for services to private school children using one or a combination of the following options:

- Provide equitable services to eligible children in each private school with the funds generated by children attending that private school who are from low-income families.
- Combine the funds generated by poor private school children in all participating areas to create a pool of funds from which the LEA provides equitable services to eligible private school children who are in the greatest educational need of those services. Under this option, the services provided to eligible children in a particular private school are not dependent upon the amount of funds generated by poor children in the school. (Title I, Sections 1113 and 1120 of ESEA (20 U.S.C. §§ 6313 and 6321); 34 C.F.R. §§ 200.10–200.17, 200.27–200.28)
- If an LEA reserves funds off the top of its Title I allocation for district-wide instructional programs for public elementary and secondary school students, the equitable services require applies. Section 200.64(a)(2)(i)(A) of the Title I regulations requires that, if an LEA reserve funds for instructional and related activities for public elementary or secondary school students at the district level, the LEA must also provide from these funds, as applicable, equitable services to eligible private school children. The amount of funds available to provide equitable services from the applicable reserved funds must be proportional to the number of private school children from low-income families residing in participating public school attendance areas.

Suggested Audit Procedure(s)

- Determine whether an LEA has a process in place for timely consultation with private school officials to obtain the best available poverty data on the number of low-income private school children residing in participating public school attendance areas.
- Review and test the procedures the LEA used to determine the number of poor private school children residing in participating public school attendance areas for adequacy and consistency with the statute and regulations.
- Review and test the LEA's allocation process to determine if private school poor children generated the same amount of funds per child as public school poor children and that funds generated by private school children are used for instructional programs for eligible private school children in accordance with the statute and regulations.
- Review and test that the LEA reserved an equitable portion of appropriate set-asides for equitable services to eligible private school children.

B. Matching, Level of Effort, and/or Earmarking Requirements

B-1 Maintenance of effort

Compliance Requirement

For covered ESEA programs other than Title I, Part C, and Title VI, the combined fiscal effort per student or aggregate expenditures of each LEA from state and local funds for free public education for the preceding year must be at least 90 percent of the combined fiscal effort per student or aggregate expenditures for the second preceding year, unless specifically waived by the Secretary. (For purposes of determining maintenance of effort for Title I, Part A, see 34 C.F.R. § 200.64.)

Failure to Meet the Requirement: The SEA shall reduce the amount of the allocation of funds under a covered program in any fiscal year in the exact proportion by which an LEA fails to maintain effort by falling below 90 percent of both the combined fiscal effort per student and aggregate expenditures (using the measure most favorable to the LEA).

For a year in which effort was not maintained, the lesser amount shall not be used for computing maintenance of effort in subsequent years.

Waiver: The Secretary may waive the maintenance of effort requirements if he/she determines that such a waiver would be equitable due to—

- Exceptional or uncontrollable circumstances such as natural disaster;

or

- A precipitous decline in the financial resources of the LEA.

Expenditures to be included

In determining whether an LEA has maintained fiscal effort, the SEA must consider the LEA's expenditures from state and local funds for free public education. Those expenditures include expenditures for administration, instruction, attendance and health services, pupil transportation services, operation and maintenance of plant, fixed charges, and net expenditures to cover deficits for food services and student body activities.

Expenditures to be excluded

Expenditures for community services, capital outlay, and debt service are not to be included in the determination. In addition, expenditures made from funds provided by the Federal Government for which the LEA is required to account to the Federal Government directly or through the SEA are excluded from the determination.

“Preceding fiscal year”

For purposes of determining maintenance of effort, the “preceding fiscal year” is the Federal fiscal year or the 12-month fiscal period most commonly used in a state for official reporting purposes prior to the beginning of the federal fiscal year in which funds are available.

Suggested Audit Procedure(s) (LEA)

- Review the second and first preceding years' financial records of the LEA and compare total expenditures and, if necessary, per-pupil expenditures for those years.
- Determine if the LEA maintained fiscal effort, unless the Secretary has granted a waiver.

Requirements for Maintenance of Effort (MOE) Calculation

To calculate the required amounts that represent MOE by a school district, the source data must originate from the school district's Annual Audit Reports. MOE calculations for two consecutive years are required as a condition to demonstrate that effort has been maintained for no less than 90 percent of the second preceding year's MOE amount. Annual Audit Report information from the preceding fiscal year and the second preceding fiscal year must be used as the basis for calculation of the two required amounts. Refer to federal Guidance for Title I Fiscal Issues to determine the preceding and second preceding years.

For the year considered, the first step is to *determine the actual, TOTAL LEA expenditures from the Audit Report (per the audited Location Reconciliation Schedule). Using this total, the second step is to exclude certain revenue and expenditures. These have specific topics with Function and Object numbers that provide the data amounts as follows:

Subtract:

Federal Revenues (All revenue reported under Revenue Codes 4100–4999; SEFA)

Capital Outlay (All expenditures reported under Function 253 and all expenditures reported under Objects 500-599 for Instructional Functions 110-190, and Support Functions 210-252, 254-271)

Debt Service (All expenditures reported under Function 500)

Community Services (All expenditures reported under Function 310–399)

Pupil Activity (All expenditures reported under Function 272 and 273)

Intergovernmental (All expenditures reported under Function 411–417)

The third step is to divide the result of step two by the school district's 135-day ADM for that same school year. This sum is the per pupil MOE amount.

The fourth step is to compare the per pupil MOE amount from the preceding year to the second preceding year to demonstrate that no less than 90 percent of the MOE effort of the second preceding year has been maintained.

*Optional: A school district may use the aggregate expenditures of state and local funds to illustrate MOE. The aggregate expenditures for the preceding fiscal year must not be less than 90% of the aggregate expenditures for the second preceding fiscal year.

Directions for Electronic Worksheet Calculation of Maintenance of Effort (MOE)

The Excel worksheet is provided electronically for convenience of calculation. Determine the preceding and second preceding years (see federal Guidance). A worksheet must be done for each, using source data from the LEA Audit Report and the 135 ADM for each year. Enter amounts of Audit Report data for **Steps 1,2, and 3**, into the appropriate cell on the Excel worksheet. The calculation for **Steps 1,2, and 3** will be performed automatically. **Step 4** requires data to be transferred from a prior worksheet to the cell in Step 4 for electronic determination of effort. **Paper copy of source data and worksheets must be maintained for Title I monitoring purposes.** Instructions are as follows:

Step 1:

Input the audit report **Total** LEA expenditures per the audited Location Reconciliation Schedule. This **Total** includes total expenditures as stated on the Statement of Revenues, Expenditures, and Changes in Fund Balances: Governmental Funds, **plus** the total expenditures amount from the Food Service Fund (See Schedule) and the Pupil Activity Fund (See Schedule).

Step 2:

List page number beside each data source or attach copy of dated report from accounting software using appropriate Function and Object numbers. Input amounts for the following items, which are **excluded** from the **Total** in **Step 1**:

Federal Revenue – Use total from the Schedule of Expenditure of Federal Awards (SEFA).

Capital Outlay – A report from accounting software must reflect appropriate Functions and Objects. Retain copy for MOE file.

Debt Service – Use appropriate Statement or Schedule data.

Community Service – Use total from Statement of Revenues, Expenditures, and Changes in Fund Balances: Governmental Funds.

Pupil Activity Fund – Use Schedule, Functions 272, 273 only.

Intergovernmental – Use total from Statement of Revenues, Expenditures, and Changes in Fund Balances: Governmental Funds.

Step 3:

Input the 135 ADM data for this Audit Year from the district's official report to the Department of Education. The per pupil MOE will be calculated electronically.

Step 4:

In the per pupil MOE calculated for the year now considered the second preceding year relative to the preceding year just calculated. The MOE determination is now completed automatically by formula statement.

Title I Fiscal Requirements

Electronic Worksheet to Calculate Maintenance of Effort (MOE)

Step 1:

Preceding Year Audit Report **Total Expenditures:**
(Refer to the audited Location Reconciliation Schedule)

\$ _____ -

Step 2:

Items Subtracted From Total Expenditures in Step 1:
(List page number for each data source from Audit Report.)

Federal Revenue (SEFA) Page _____

Capital Outlay (Attach Report) Page _____

Debt Service Page _____

Community Services Page _____

Pupil Activity Fund Page _____

Intergovernmental Page _____

Total Amount Excluded:

\$ _____ -

Total Expenditures for MOE Calculation:

\$ _____ -

Step 3:

135 ADM:

The per pupil MOE calculated for the **preceding** year
from Audit Year _____:

Step 4:

The per pupil MOE calculated for the **second preceding** year
From Audit Year _____: (Attach Worksheet)

Met MOE Requirements? *

*Compare the per pupil MOE in Step 3 to the per pupil MOE of Step 4. The per pupil amount in Step 3 must be not less than ninety percent of the per pupil amount in Step 4 to meet the MOE requirement.

Title I Fiscal Requirements
Electronic Worksheet to Calculate Maintenance of Effort (MOE)
Composite Sample for Preceding Year

Step 1:

Preceding Year Audit Report **Total Expenditures:** \$ 15,934,495
 (Refer to the audited Location Reconciliation Schedule)

Step 2:

Items Subtracted From Total Expenditures in Step 1:
 (List page number for each data source from Audit Report.)

Federal Revenue (SEFA)	Page <u>72</u>	\$589,295
Capital Outlay (Attach Report)		230,000.00
Debt Service	Page <u>17</u>	80,000.00
Community Services	Page <u>17</u>	1,300.00
Pupil Activity Fund	Page <u>64</u>	50,000.00
Intergovernmental	Page <u>17</u>	6,400.00

Total Amount Excluded:

\$ (956,995.00)

Total Expenditures for MOE Calculation:

\$ 14,977,500.00

Step 3:

135 ADM: 2,195

The per pupil MOE calculated for the **preceding** year
 from Audit Year **2005** :

\$ 6,823.46

Step 4:

The per pupil MOE calculated for the **second preceding** year
 From Audit Year **2004** : (Attach Worksheet)

\$ 6,795.77

Met MOE Requirements? *

Met MOE

*Compare the per pupil MOE in Step 3 to the per pupil MOE of Step 4. The per pupil amount in Step 3 must be not less than ninety percent of the per pupil amount in Step 4 to meet the MOE requirement.

Title I Fiscal Requirements
Electronic Worksheet to Calculate Maintenance of Effort (MOE)
Composite Sample for Second Preceding Year

Step 1:

Preceding Year Audit Report Total Expenditures: \$ 15,200,000
 (Refer to the audited Location Reconciliation Schedule)

Step 2:

Items Subtracted From Total Expenditures in Step 1:
 (List page number for each data source from Audit Report.)

Federal Revenue (SEFA)	Page <u>70</u>	\$595,000
Capital Outlay (Attach Report)		170,000.00
Debt Service	Page <u>15</u>	73,500.00
Community Services	Page <u>15</u>	1,600.00
Pupil Activity Fund	Page <u>61</u>	45,000.00
Intergovernmental	Page <u>15</u>	9,800.00

Total Amount Excluded:

\$ (894,900.00)

Total Expenditures for MOE Calculation:

\$ 14,305,100.00

Step 3:

135 ADM: 2,105

The per pupil MOE calculated for the **preceding** year
 from Audit Year 2004 :

\$ 6,795.77

Step 4:

The per pupil MOE calculated for the **second preceding** year
 From Audit Year 2003 : (Attach Worksheet)

\$ 6,576.98

Met MOE Requirements? *

Met MOE

*Compare the per pupil MOE in Step 4a to the per pupil MOE of Step 4. The per pupil amount in Step 3 must be not less than ninety percent of the per pupil amount in Step to meet the MOE requirement.

B-2 Comparability

Compliance Requirement

An LEA may receive Title I funds only if state and local funds will be used in Title I schools to provide services that, taken as a whole, are at least comparable to services that the LEA is providing in schools not receiving Title I funds.

An LEA is considered to have met the statutory comparability requirements if it has implemented

- a. an LEA-wide salary schedule;
- b. a policy to ensure equivalence among schools in teachers, administrators, and other staff, and
- c. a policy to ensure equivalence among schools in the provision of curriculum materials and instructional materials and supplies.

An LEA must also use other measures to determine comparability such as comparing the average number of students per instructional staff or the average staff salary per student in each Title I school with non-Title I schools on an annual basis.

Determinations may be made on either a districtwide or a grade-span basis. If all schools are served by Title I, an LEA must use state and local funds to provide services that, taken as a whole, are substantially comparable in each school. The comparability requirement does not apply to an LEA that has only one school for each grade span. An LEA may also exclude schools with fewer than one hundred (100) students from its comparability determinations.

An LEA may exclude from determinations of compliance with this requirement any state and local funds expended (a) for bilingual education for children with limited English proficiency and (b) for the excess costs of providing services to children with disabilities as determined by the LEA.

An LEA may exclude state and local funds spent in any school attendance area or school to carry out a program that meets the requirements of Section 1114 (schoolwide programs) or Section 1115 (targeted assistance schools) from comparability.

Each LEA must develop procedures for complying with the comparability requirements and must maintain records that are updated biennially documenting compliance with the comparability requirements. Comparability must be demonstrated on an annual basis, but not reported. The SEA, however, is ultimately responsible for ensuring that its LEAs remain in compliance with the comparability requirement. The SEA must withhold funds or require refunds from LEAs that fail to comply with the comparability requirements. [Title I, Section 1120A(c) of ESEA (20 U.S.C. § 6321)]

Suggested Audit Procedure(s) (SEA)

- Ascertain whether the SEA is monitoring each LEA's compliance with the comparability requirements.

Suggested Audit Procedure(s) (LEA)

- Review the LEA's procedures for calculating comparability to determine whether these procedures actually produce comparable schools.
- Review and test the LEA's records and documentation to determine if in fact service in Title I attendance areas and schools provided from state and local funds are comparable to those in non-Title I areas or schools.

B-3 Supplement, not supplant

Compliance Requirement

As discussed generally in the Cross-Cutting Provisions of the ESEA Compliance Supplement, an LEA may use Title I funds only to supplement and, to the extent practical, increase the level of funds that would, in the absence of Title I funds, be made available from nonfederal sources for the education of pupils participating in Title I projects. An LEA may not use Title I funds to supplant funds from nonfederal sources.

When determining whether Title I funding is supplemental, an LEA may exclude state and local funds spent in any school attendance area or school for carrying out a program that meets the requirements of Section 1114 (schoolwide programs) or Section 1115 (targeted assistance schools).

A program meets **the requirements of Section 1114** if it

- is implemented in a school that meets the Title I schoolwide poverty threshold (i.e., 60 percent poverty in 1995–96, 50 percent poverty in subsequent years);
- is designed to upgrade the entire educational program in the school to enable all children to meet the state's challenging student performance standards;
- is designed to meet the educational needs of all children in the school, particularly the needs of children who are failing, or most at risk of failing, to meet the state's performance standards; and
- uses the state's system of assessment to review the effectiveness of the program.

A program meets **the requirements of Section 1115** if it

- serves only children who are failing, or most at risk of failing, to meet the state's student performance standards;

- provides supplementary services designed to meet the special educational needs of children who are participating in the program to enable those children to meet the state's student performance standards; and
- uses the state's system of assessment to review the effectiveness of the program.

Suggested Audit Procedure(s) (LEA)

- Test internal financial control system to ensure that federal funds are used only to supplement, not supplant, nonfederal funds.
- Determine whether the grantee used Title I funds only to supplement nonfederal funds. [Section 1120A(b) of ESEA (20 U.S.C. § 6321 and Title I Regulations Section 200.79)]

C. Special Tests and Provisions

C-1 Carryover

Compliance Requirement

An LEA may not carryover more than 15 percent of the funds it received under Part A, Subpart 2, "Allocations," for any fiscal year. This percentage limitation does not apply to an LEA that receives less than \$50,000 for any fiscal year.

An SEA may grant a waiver of the percentage limitation once every three (3) years if the SEA determines that the request is reasonable and necessary. An SEA may also grant a waiver in any fiscal year in which supplemental appropriations for Title I become available for obligation. (Title I, Section 1127 of ESEA (20 U.S.C. § 6339))

Suggested Audit Procedure(s) (LEA)

- Determine whether the LEA has carried over no more than 15 percent of its allocations under Part A, Subpart 2.

C-2 Use of funds for eligible children in a targeted assistance program

Title I funds may be used to benefit all students at schools participating in a schoolwide program. See **E-2 Schoolwide programs** in the cross-cutting section of the ESEA Compliance Supplement. (Title I, Section 1114 of ESEA (20 U.S.C. § 6314); 34 C.F.R. § 200.7)

Compliance Requirement

A school operating a targeted assistance program must use Title I funds only for programs and projects that are designed to meet the needs of children identified as failing, or most at risk of failing, to meet the state's challenging student performance standards. Such children shall generally be identified on the basis of multiple, educationally related, objective criteria established by the LEA and supplemented by the school except that children from pre-school through grade two shall be selected solely on the basis of such criteria as teacher judgement, interviews with parents, and developmentally appropriate measures. Children who are economically disadvantaged, children with disabilities, migrant children, and limited-English-proficient children are eligible for Title I, Part A services on the same basis as other children who are selected for services. In addition, certain classes of children are considered at risk of failing to meet the state's student performance standards and are thus eligible for Title I services because of their status.

Such children include the following:

- children are homeless,
- children who participated in a Head Start or Even Start program at any time in the two preceding years;
- children who received services under a program for youth who are neglected, delinquent, or at risk of dropping out under Part D (or its predecessor authority) at any time in the two preceding years; and
- children who are in a local institution for neglected or delinquent children or attending a community day program. Funds, received under this part may not be used to provide services that are otherwise required by law to be made available to children described above, but may be used to coordinate or supplement such services.

From the universe of eligible children, a targeted assistance school selects those children who have the greatest need for special assistance to receive Part A services. (Title I, Section 1115 of ESEA (20 U.S.C. § 6315))

Suggested Audit Procedure(s) (LEA)

- Test on a sample basis expenditure and related records to determine whether schools operating targeted assistance programs use Title I funds only for activities allowable under the statute and regulations.
- Determine whether a school receiving Title I funds has a process in place to identify and select children to be served who meet the criteria established in Section 1115(b).

C-3 Schoolwide programs**Compliance Requirement**

A school participating under Title I, Part A may, in consultation with its LEA, use Part A funds to upgrade the school's entire educational program in a schoolwide program. To qualify, at least 40 percent of the children enrolled in the school or residing in the school attendance area for the initial year of the schoolwide program must be from low-income families. To operate a schoolwide program, a school must develop, in consultation with the LEA and its school support team or other technical assistance provider, a comprehensive plan to upgrade its total instructional program.

Each schoolwide program must include a number of specific components that are provided in the statute and regulations. For example, a schoolwide-program school must

- conduct a comprehensive needs assessment of the entire school to determine the performance of its children in relation to the state's challenging content and performance standards;
- implement schoolwide reform strategies that are based on scientifically based research effective means of improving the achievement of children and that address the needs of all children in the school;
- use qualified professional staff;
- provide professional development for teachers and other staff; and
- implement strategies to increase parental involvement.
- Schoolwide reform strategies that provide opportunities for all children to meet the State's proficient and advanced levels of student academic achievement; use effective methods and instructional strategies that are based on scientifically based research that strengthen the core academic program in the school; increase the amount and quality of learning time, such as providing an extended school year and before-and-after school and summer programs and opportunities, and help provide an enriched and accelerated curriculum; include strategies for meeting the educational needs of historically underserved populations; and include strategies to address the needs of all children in the school, but particularly the needs of student academic achievement standards who are members of the target population of any program that is included in the schoolwide program.
- Instruction by highly qualified teachers.
- Provide high-quality and ongoing professional development for teachers, principals, and paraprofessionals and, if appropriate, pupil services personnel, parents, and other staff to enable all children in the school to meet the State's student academic achievement standards.
- Strategies to increase parental involvement such as family literary services.

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- Plans for assisting preschool children in the transition from early childhood programs, such as Head Start, Even Start, Early Reading First, or a State-run preschool program, to local elementary school program.
- Measures to include teachers in the decisions regarding the use of academic assessments.
- Activities to ensure that students who experience difficulty mastering the proficient or advanced levels of academic achievement standards shall be provided with effective, timely additional assistance.
- Coordination and integration of Federal, State, and local services and programs, including programs supported under this Act, violence prevention programs, nutrition programs, housing programs, Head Start, adult education, vocational and technical education, and job training.

In addition to funds and services available under Title I, Part A, a schoolwide-program school may use funds it receives under any federal education program administered by the Secretary that is included in the most recent notice published by the Secretary in the Federal Register.

If funds from other federal education programs are consolidated, a schoolwide program does not need to meet most of the statutory and regulatory requirements of those programs, as long as the intent and purposes of those programs are met. A schoolwide program school and its LEA, however, must still comply with requirements applicable to those programs relating to health and safety; civil rights; gender equity; parental involvement; equitable participation of private school children, teachers, and other educational personnel; maintenance of effort; and comparability.

In consolidating funds, a schoolwide-program school must also ensure that its schoolwide program addresses the needs of children who are members of the target population of any federal program that is included in the schoolwide program and meets the intent and purposes of that program.

A school operating a schoolwide program does *not* have

- to show that federal funds used within the school are paying for additional services that would otherwise be provided,
- to demonstrate that federal funds are used only for specific target populations, or
- to separately track federal program funds once they reach the school.

Such a school, however, *is* required to use funds available under Title I and under any other federal programs that are combined to support its schoolwide program to supplement the *total* amount of funds that would, in the absence of those funds, be made available from nonfederal sources for that school, including funds needed to provide services that are required by law for children with disabilities and children with limited English proficiency. (Title I, Section 1114 of ESEA (20 U.S.C. § 6314); 34 C.F.R. § 200.8; 60 Fed. Reg. 49174)

Suggested Audit Procedure(s) (LEA and school level)

- Determine whether a school operating a schoolwide program met the poverty eligibility requirements in the first year of operation.
- Determine if the LEA has distributed state and locally funded personnel and nonpersonnel resources to each schoolwide-program school in an equitable manner without taking into account the federal funds used in the schoolwide program.
- Determine whether a school combined funds from other federal education programs in its schoolwide program and, if so, whether it has met the intent and purposes of the programs whose funds were combined.

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21st Century Community Learning Centers Program

CFDA 84.287C

I. Program Objective

The 21st Century Community Learning Centers program (21st CCLC) is authorized under Title IV, Part B, of the Elementary and Secondary Education Act, as amended by the *No Child Left Behind Act of 2001*. The purposes of this program are to create or expand community learning centers that provide academic enrichment opportunities to assist students, particularly those who attend high-poverty and low-performing schools, in meeting state and local standards in core academic subjects; to offer students a broad array of enrichment activities that can complement their regular academic programs; and to offer literacy and other educational services to the families of participating children.

II. Program Procedures

The South Carolina Department of Education (SDE), through a competitive process, will award subgrants, subject to the availability of funds, for the purpose of establishing or expanding activities in community learning centers. Funds from these subgrants will be used to

- provide academic enrichment opportunities for children, particularly students who attend high-poverty and low-performing schools, to assist them in meeting state and local standards in core academic subjects;
- offer students a broad array of enrichment activities that can complement their regular academic programs; and
- offer literacy and other educational services to the families of participating students.

Public school districts, individual public schools, community-based organizations, faith-based organizations, other public or private organizations, or a combination of two or more of such organizations are eligible to apply for these funds. Applicants must propose to serve students who attend schools that receive or are eligible to receive Title I school-wide assistance.

To the extent practical, the SDE will award subgrants equitably among geographic regions within the state, including rural and urban communities. Priority will be given to applications for programs that target services to students who attend schools identified as in need of improvement under Section 1116 of Title I and that are submitted jointly by at least one public school district and one community-based organization, faith-based organization, or other public or private organization.

III. Compliance Requirements

A. Types of Services Allowed or Not Allowed

Funds may be used to provide before-school, after-school, and summer school activities that advance student academic achievement. All funds awarded must be used to supplement, not supplant, federal, state, and local, and other non-federal funds.

Sub-grantees may provide services at the public school or any other location that is at least as available and accessible as the school. Funds may be used for the following activities designed to improve student achievement and performance:

- remedial education activities and academic enrichment learning programs, including additional assistance to students to allow them to improve their academic achievement,
- mathematics and science education activities,
- arts and music education activities,
- entrepreneurial education programs,
- tutoring services (including those provided by senior citizen volunteers) and mentoring programs,
- programs that provide after-school activities emphasizing language skills and academic achievement for limited English proficient students,
- recreational activities,
- telecommunications and technology education programs,
- expanded library service hours,
- programs that promote parental involvement and family literacy,
- programs that provide assistance to students who have been truant, suspended, or expelled, to allow the students to improve their academic achievement, and
- drug and violence prevention programs, counseling programs, and character education programs.

Funds may not be used to support activities that occur during the normal school hours, unless such activities are targeted to pre-kindergarten children or the adult family members of the program's participants.

Additionally, funds may not be used to cover costs associated with construction, renovations, or the purchase of vehicles.

B. Suggested Audit Procedures

Ascertain that expenses were incurred for program purposes and are not associated with activities which occur during the regular school day.

Ascertain that all expenses, including those associated with personnel costs, are supported with appropriate documentation.

Ascertain that expenses recorded on the General Ledger in appropriate categories are equal to the amounts that have been recorded on the claim reports that have been forwarded to the State Department of Education.

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